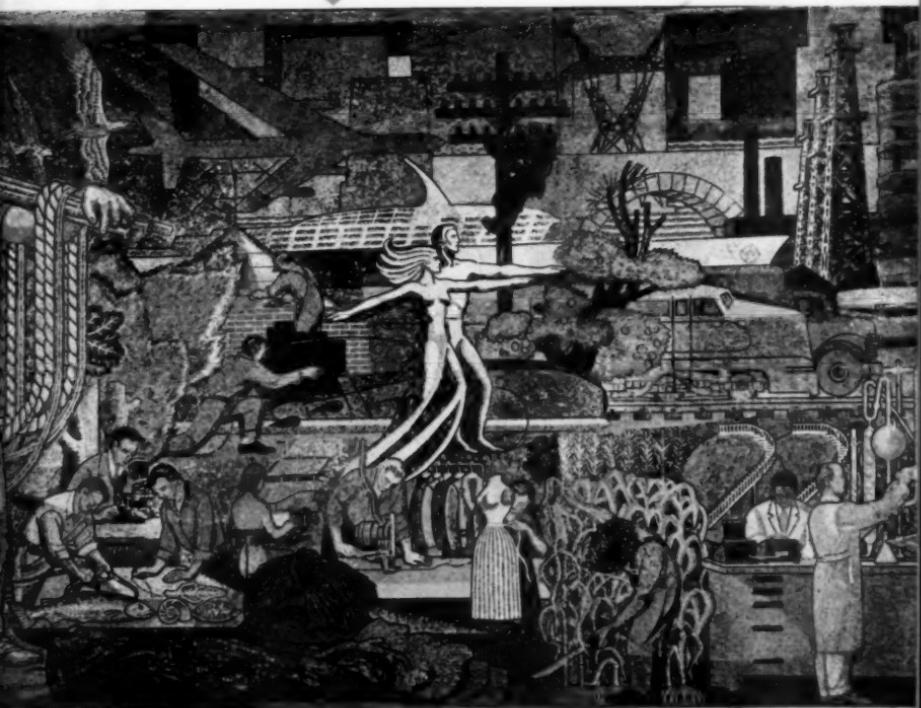


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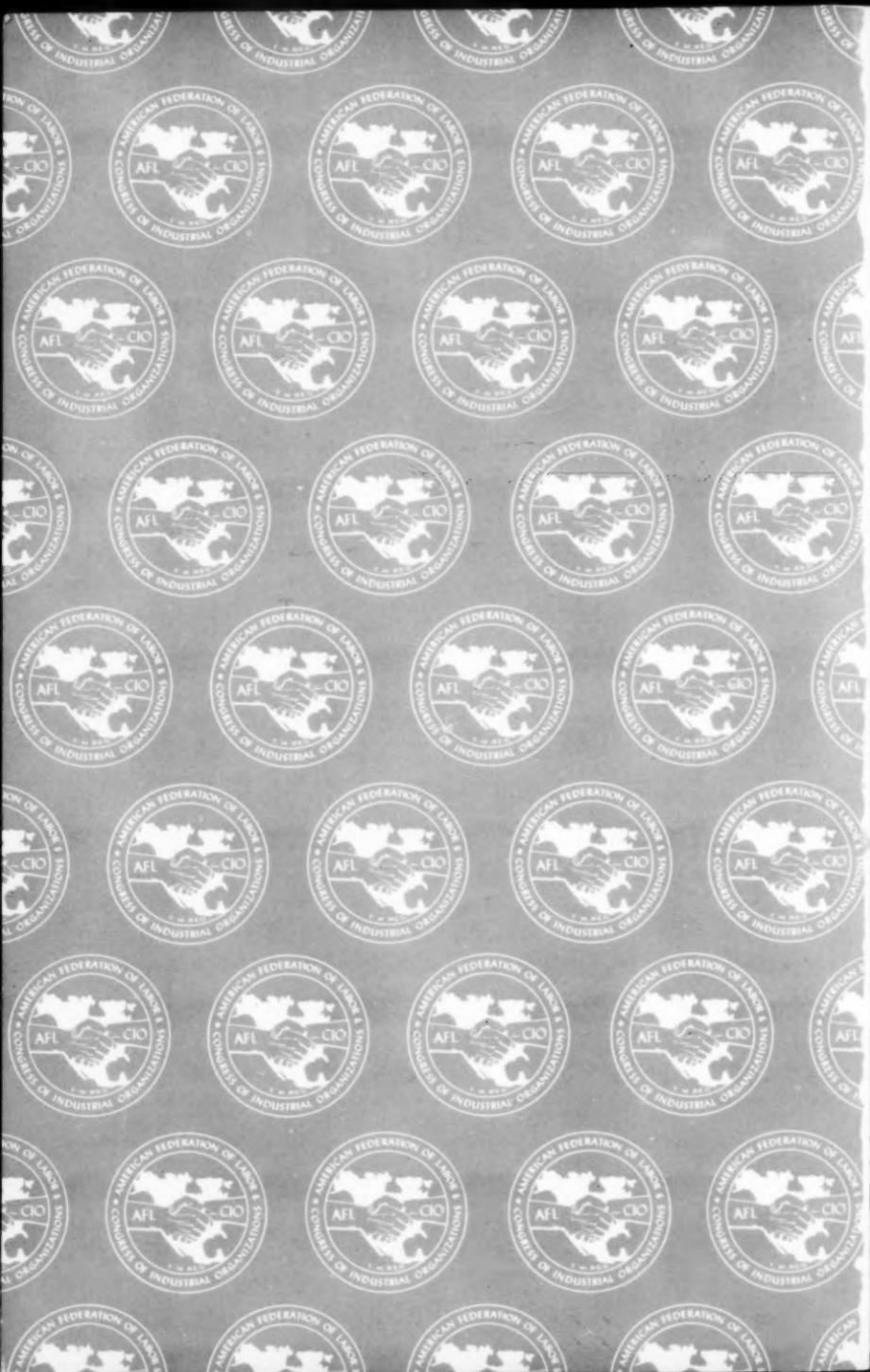
PROCEEDINGS  
of the

# AFL-CIO

3rd CONSTITUTIONAL  
CONVENTION



EXECUTIVE  
COUNCIL  
REPORTS



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PROCEEDINGS  
OF THE  
**THIRD CONSTITUTIONAL  
CONVENTION**  
OF THE  
**AFL-CIO**

VOLUME II  
REPORT AND  
SUPPLEMENTAL REPORT  
OF THE  
**EXECUTIVE COUNCIL**

San Francisco, California  
September 17-23, 1959

★ ★ \*

AMERICAN FEDERATION OF LABOR AND  
CONGRESS OF INDUSTRIAL ORGANIZATIONS

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## **AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS**

**815 16th St., N.W., Washington 6, D. C.**

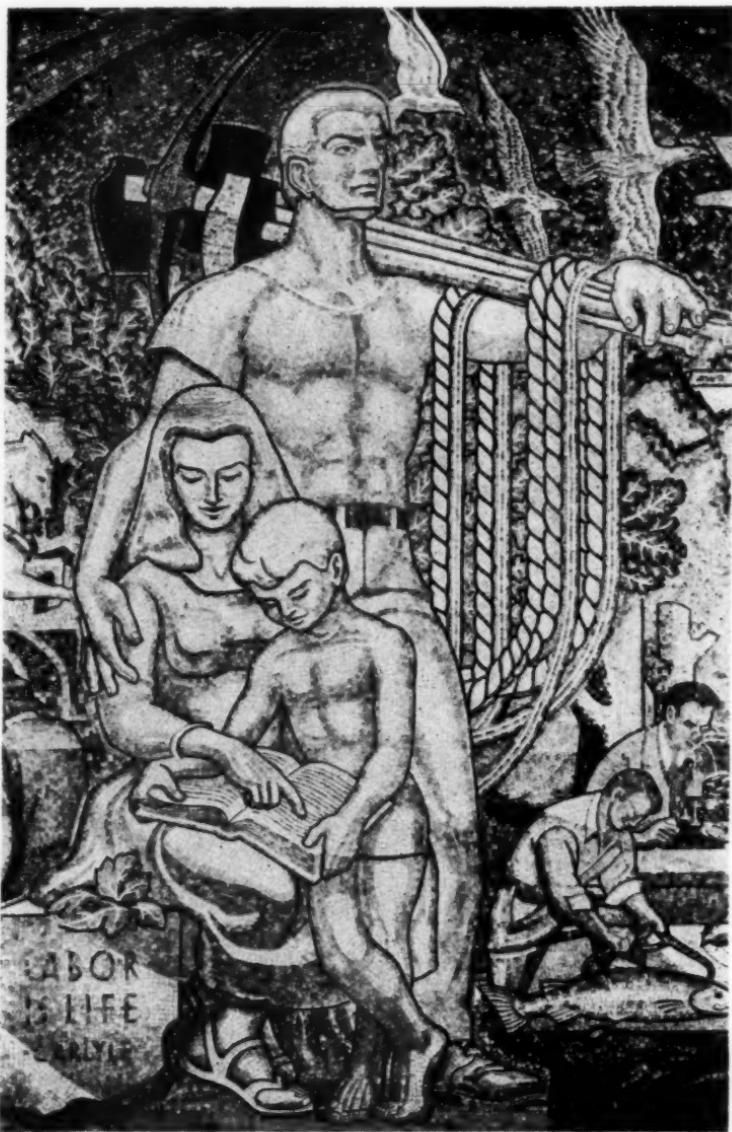


17 CIO 17

Printed In U.S.A.



Members of Executive Council meet in AFL-CIO Headquarters.



**Detail of central figures in AFL-CIO Headquarters mosaic mural.**

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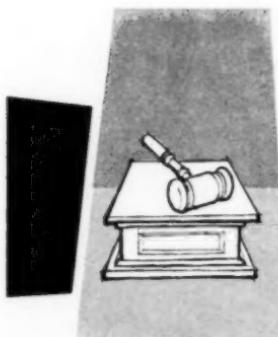
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## The President's Report

We meet at a time when our country is grappling with critical domestic and international problems. Labor, as one of the nation's free institutions, can make a significant contribution toward the solution of those problems. Yet at a time when labor's contribution is so important, we find that our movement must defend itself from attacks by those who would destroy our trade unions as free institutions.

In the past two years, we have weathered some of the worst storms in trade union history.

The 1958 recession left millions of workers unemployed and grievous economic wreckage in its wake.

The new Congress failed to enact an effective recovery program. It neglected the plight of the unemployed. It was intimidated by threats of the President's veto power. It lost a promising opportunity to break through the log-jam of reactionary resistance against forward-looking legislation.

### Drive to Hamstring Unions

At the same time, Congress boiled over with anti-labor activity. So did many of the state legislatures. Using as justification the McClellan Committee's exposure of corruption in some segments of the labor-management field, hostile lawmakers pressed for enactment of laws, not primarily to get the crooks, but to hamstring unions.

The AFL-CIO endorsed the Kennedy-Ervin Bill, as approved by the Senate Labor Committee, even though it contained some imperfections, because in the main it provided effective methods of combatting racketeering. But this bill was transformed by amendments from the floor into an instrument for the harassment of decent unions.

Then the House of Representatives adopted an outright anti-union measure known as the Landrum-Griffin Bill, which was inspired, if not actually written, by the National Association of Manufacturers and the Chamber of Commerce.



**Pres. Meany during one of his numerous appearances before congressional committees as top spokesman for the AFL-CIO.**

As this section of our report went to press, the two measures were being considered by a Senate-House Conference Committee and the final outcome was still in doubt.

#### **Employers Back Attack**

Strong support for the anti-labor blitz came from the nation's leading industrialists who, on their own account, mounted a concerted offensive against unions on the bargaining front. The employers of the nation, on the pretext of fighting inflation, stubbornly refused to share any significant part of their record-breaking 1959 profits with their workers.

Despite the hurricane force of these unexpected and untoward developments, the trade union movement has moved consistently forward.

For all the mud-slinging, the AFL-CIO has kept its good name. Its courageous and resolute actions to clean house, to establish codes of ethical practices for unions and to work for programs that will benefit the entire nation, have earned for the AFL-CIO the respect and commendation of all thinking citizens. Even the enemies of labor dare not malign the honesty of purpose which the AFL-CIO has demonstrated under crisis in the past two years.

Above all, we have retained and reinforced the loyalty and support of our members. The workers of America are with us overwhelmingly in our efforts to protect the freedom and security of the trade union movement which has brought them so many benefits in the past and stands today as their only effective instrumentality for future advances.

### **The Wisdom of Merger**

The events that have taken place since the last convention prove, beyond question, the wisdom of uniting the ranks of labor. The merger of the American Federation of Labor and the Congress of Industrial Organizations has provided labor with an indispensable reservoir of strength at a time when it was most urgently needed.

Great progress has been achieved in consolidating our ranks all the way down the line. In every state but two our central organizations have completed the merger process. Hundreds of city central bodies have likewise amalgamated. Several national and international unions, operating in parallel jurisdictions, have joined forces and strengthened their bargaining power. A number of other affiliates are currently conducting negotiations toward the same end.

The merger is working out well. There have been, of course, occasional differences of opinion over methods and jurisdiction, but these can be expected within any family and they are gradually being ironed out. On all major questions of policy, however, our united federation has acted with decisive unanimity. No longer in America can our enemies turn divided factions of labor against each other. We have cemented a united front.

Some gains have been scored, but not nearly enough, toward the realization of our goal of organizing the unorganized. Through the organization of hundreds of thousands of new members, we have more than made up the losses suffered by some unions as the result of industrial unemployment. Despite intensified employer opposition, aided by pro-business rulings of federal agencies like the National Labor Relations Board, we are determined to press forward with invigorated campaigns to organize the unorganized, especially in the white collar field.

### **Political Education Bears Fruit**

Perhaps our most encouraging progress has taken place in the field of political action. Our carefully conducted program of political education is now beginning to bear fruit. The 1958 congressional elections resulted in the defeat of many unfriendly candidates and the election of the largest number of liberal lawmakers in a generation.

The voters in four out of five states defeated sinister "right-to-work" proposals so overwhelmingly that candidates in the future, it is generally conceded, will no longer try to ride into office on that issue. We are moving ahead determinedly in the political field and we look forward to even greater harvests in the 1960 elections.

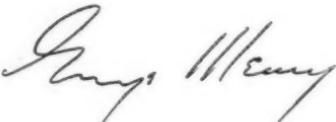
### **Communist Threat Unabated**

To a large extent, the wheels of progress have been slowed down in America by the exigencies of the cold war. An enormously large proportion of our national effort and our national income has been expended—and must continue to be spent—for national defense and aid to other free nations.

No matter how great the burden, labor considers it a relatively small price to pay for the preservation of peace and freedom. We believe that the free world must continue to explore every possible avenue of attaining peace by negotiation with Soviet Russia. But we can place no reliance on mere promises of peaceful intentions by the Communists. We cannot relax our guard until we obtain a hard, fast and enforceable agreement from the Soviet Union that war on any front and for whatever pretext is out for good. Until then, our safety depends upon the maintenance of sufficient military strength to deter aggression and also upon our ability to keep the national economy growing and expanding at a healthy rate that will meet the needs of our people.

In the following pages, the officers of the AFL-CIO present the delegates at this convention a full and complete report on their stewardship. The report contains a clear and concise accounting of finances. It details the policies we have followed and the actions we have taken. It reviews all the significant developments of the past two years affecting the interests of the nation's workers. During the convention, the delegates will have full opportunity to consider and discuss the events of the past two years and to formulate plans for the future.

We have full confidence that the American labor movement will continue to serve the best interests of the workers of our country with honor and diligence and that this convention will chart a course of future progress consistent with the traditions and achievements of the past.

A handwritten signature in cursive ink, appearing to read "George Meany".



## Secretary Treasurer's Report

### Financial Report

To the Officers and Delegates to the Third Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations

Dear Sirs and Brothers:

The financial statements of the AFL-CIO for the last two fiscal years are contained in this section of my report. The statements have been certified to by our independent certified public accountants, Main and Company.

The assets, liabilities and net worth of our organization at the beginning of the two-year period (June 30, 1957) and at the end of our last fiscal year (June 30, 1959) are shown in statement No. 1. Our net worth decreased \$132,429.89 during the two-year period.

This decline was attributable to an excess of expenses over income as shown in the statement of income and expenses, statement No. 2.

Statements Nos. 3 through 11 of this report present details of various items of income and expenses summarized in statement No. 2. Statement No. 12 summarizes defense fund transactions for the period.

In February 1959 the Executive Council established a special purposes fund to be financed by an assessment of 1 cent per member per month for the period March 1 through August 31, 1959. The fund is to be used to support the Solidarity Fund of the International Confederation of Free Trade Unions, expenses in connection with the passage of favorable state legislation, large scale organizing campaigns and other projects of a similar nature that might arise in the near future. Expenditures from this fund must have the express approval of the Executive Council. Transactions in the fund to June 30, 1959 are shown in statement No. 13.

In addition to the financial statements of the AFL-CIO, this section also contains the financial report of the trustees of the AFL-CIO Organizers Pension Plan and the AFL-CIO Staff Retirement Plan, as well as the Executive Council's financial report of the AFL-CIO International Free Labor Fund. These reports have also been certified to by Main and Company.

We are aware that our membership is vitally interested in the financial affairs of our federation, and we have done our best to provide them with a comprehensive accounting of our stewardship. If you should have any questions or comments on the financial report, we hope that you will feel free to discuss them with us.

Respectfully submitted



Secretary-Treasurer

**MAIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
**PENNSYLVANIA BUILDING**  
**WASHINGTON 4, D. C.**

American Federation of Labor and  
Congress of Industrial Organizations  
Washington, D. C.

July 31, 1959

**ACCOUNTANTS' CERTIFICATE**

We have examined the balance sheet of the General Fund of the American Federation of Labor and Congress of Industrial Organizations as of June 30, 1959 and the related statement of income and expenses for the period July 1, 1957 to June 30, 1959. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and expenses present fairly the financial position of the General Fund of the American Federation of Labor and Congress of Industrial Organizations as of June 30, 1959, and the results of its operations for the period July 1, 1957 to June 30, 1959, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

**MAIN AND COMPANY,**  
*Certified Public Accountants*

**STATEMENT NO. 1**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**GENERAL FUND**  
**BALANCE SHEET**

ASSETS	June 30, 1959	June 30, 1957	Increase or Decrease†
Cash .....	560,106.64	579,832.35	19,725.71†
Investment Securities (At Cost)			
U. S. Government securities .....	847,490.78	847,490.78	0.00
Other investments .....	20,000.00	20,000.00	0.00
Per Capita Taxes Receivable from Affiliates .....	674,887.00	660,415.00	14,472.00
Loans Receivable .....	100,000.28	7,692.55	92,307.73
Office Funds and Other Receivables .....	172,595.95	126,555.06	46,040.89
Fixed Assets			
Headquarters land and building			
Land .....	863,652.08	863,652.08	0.00
Building (net) .....	3,954,150.84	4,117,486.69	163,335.85†
Furniture, fixtures and equipment (net) ..	386,042.38	479,887.23	93,344.85†
Prepaid Expenses .....	45,622.24	71,188.05	25,565.81†
<b>Total Assets .....</b>	<b>7,624,548.19</b>	<b>7,773,699.79</b>	<b>149,151.60†</b>
<b>LIABILITIES AND NET WORTH</b>			
Liabilities			
Notes payable to bank .....	785,342.07	985,342.07	200,000.00†
Accounts payable .....	217,807.04	302,433.22	84,626.18†
Salaries and travel expense .....	85,066.80	56,950.61	29,016.19
Payroll taxes and other deductions from employees' earnings .....	78,082.74	68,404.08	4,678.66
Escrow funds held in trust for inactive local unions .....	1,162,198.65	1,413,129.98	250,981.33†
Due to Defense Fund (Statement No. 12)	723,792.66	756,946.54	33,153.88†
Due to Special Purposes Fund (Statement No. 18) .....	290,452.15		290,452.15
<b>Total Liabilities .....</b>	<b>2,183,311.46</b>	<b>2,200,033.17</b>	<b>16,721.71†</b>
Net Worth, General Fund, Represented by the Excess of Assets over Liabilities	5,441,236.73	5,573,666.62	132,429.89†
<b>TOTAL LIABILITIES AND NET WORTH .....</b>	<b>7,624,548.19</b>	<b>7,773,699.79</b>	<b>149,151.60†</b>

**STATEMENT NO. 2**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**GENERAL FUND**  
**STATEMENT OF INCOME AND EXPENSES**

	For Details Refer to Indicated Statement	July 1, 1957 to June 30, 1958	July 1, 1958 to June 30, 1959	Total July 1, 1957 to June 30, 1958
<b>Income</b>				
Per capita taxes from National and International Unions ...	(3)	7,965,282.62	7,493,281.28	15,458,563.90
Per capita taxes, initiation and reinstatement fees from Local Unions .....		1,244,048.08	1,191,786.57	2,435,834.65
Dues from Central Bodies .....		22,052.32	18,446.79	40,499.11
AFL-CIO News .....		134,705.00	108,021.84	242,726.84
Sales of educational and organizational supplies .....		65,074.50	71,883.32	136,957.82
Income from investments .....		26,895.90	26,911.78	53,807.68
Rental income .....		94,406.48	103,127.82	197,534.30
Other .....		38,856.57	35,664.62	74,521.19
<b>Total Income .....</b>		<b>9,591,321.47</b>	<b>9,049,124.02</b>	<b>18,640,445.49</b>
<b>Expenses</b>				
National and International Unions (Including Organizing Drives) .....	(4)	182,775.12	115,611.21	298,386.33
Regional offices .....	(5)	2,900,885.57	2,239,485.41	5,140,370.98
Headquarters Administrative departments .....	(6)	771,020.71	822,895.58	1,593,916.29
Other departments .....	(7)	3,140,844.08	3,594,242.13	6,735,086.21
Committees .....	(8)	788,576.92	884,462.00	1,673,038.92
Other general expenses .....	(9)	1,601,688.03	1,365,338.59	2,967,026.62
Directly affiliated Locals and Central Bodies .....	(10)	107,747.99	129,921.04	237,669.03
Contributions .....	(11)	47,477.00	79,904.00	127,381.00
<b>Total Expenses .....</b>		<b>9,541,015.42</b>	<b>9,281,859.96</b>	<b>18,772,875.38</b>
<b>EXCESS OF EXPENSES OVER INCOME .....</b>		<b>50,306.05†</b>	<b>182,785.94</b>	<b>132,429.89</b>

† Excess of income over expenses.

**STATEMENT NO. 3**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF PER CAPITA TAXES AND ASSESSMENTS**  
**FROM NATIONAL AND INTERNATIONAL UNIONS**

Received From	Amount Received July 1, 1957	July 1, 1958
	to June 30, 1958	to June 30, 1959
Actors and Artistes of America, Associated .....	29,319.47	31,407.74
Agricultural Workers Union, National .....	2,412.65	2,204.87
Air Line Dispatchers Association .....	379.36	447.02
Air Line Pilots Association .....	8,439.00	10,893.72
Aluminum Workers International Union .....	10,955.75	11,673.96
Asbestos Workers, International Association of Heat and Frost Insulators and .....	6,000.00	6,600.00
Automobile, Aircraft and Agricultural Implement Workers of America, United .....	667,771.53	629,493.49
Bakery and Confectionery Workers International Union, American .....	7,987.30	38,585.04
Bakery and Confectionery Workers International Union of America .....	33,152.55	
Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen .....	43,561.90	45,855.81
Bill Posters, Billers and Distributors of the United States and Canada, International Alliance of .....	1,152.00	720.00
Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of .....	97,987.50	107,032.50
Bookbinders, International Brotherhood of .....	33,376.10	34,957.91
Boot and Shoe Workers' Union .....	24,400.00	25,200.00
Brewery, Flour, Cereal, Soft Drink and Distillery Workers, International Union of United .....	27,000.00	28,800.00
Bricklayers, Masons and Plasterers International Union of America .....	66,246.90	75,883.44
Brick and Clay Workers of America, The United .....	14,865.10	14,504.45
Bridge and Structural Iron Workers, International Association of .....	86,835.35	82,630.66
Broadcast Employees and Technicians, National As- sociation of .....	2,517.81	2,642.85
Broom and Whisk Makers Union, International .....	187.60	85.00
Building Service Employees International Union .....	141,700.00	146,637.91
Carmen of America, Brotherhood Railway .....	74,995.70	59,990.51
Carpenters and Joiners of America, United Brother- hood of .....	457,500.00	480,000.00
Cement, Lime and Gypsum Workers International Union, United .....	20,212.25	21,504.34
Chemical Workers Union, International .....	42,755.28	40,320.02
Cigarmakers' International Union of America .....	3,952.45	3,960.07
Clerks, National Federation of Post Office .....	59,507.01	43,937.52
Clerks, Brotherhood of Railway .....	196,271.40	147,349.17
Clerks International Association, Retail .....	189,141.58	204,230.98
Clothing Workers of America, Amalgamated .....	175,680.00	181,440.00
Communications Workers of America .....	161,048.61	144,717.16
Coopers International Union of North America .....	2,614.55	2,341.43
Distillery, Rectifying and Wine Workers, International Union .....	15,992.02	19,834.07
Doll and Toy Workers of the United States and Canada, International Union of .....	11,758.60	11,692.24

## STATEMENT NO. 3 (Cont'd)

Received From	Amount Received July 1, 1957	July 1, 1958
	to June 30, 1958	to June 30, 1959
Electrical, Radio and Machine Workers, International Union of	178,171.75	167,673.54
Electrical Workers, International Brotherhood of	299,914.65	344,005.36
Elevator Constructors, International Union of	6,098.40	6,403.32
Engineers, International Union of Operating	129,000.00	170,100.00
Engineers, American Federation of Technical	7,428.80	8,373.78
Engravers Union of North America, International Photo	8,470.56	9,997.77
Fire Fighters, International Association of	53,325.70	53,323.61
Firemen and Oilers, International Brotherhood of	33,712.90	32,946.26
Flight Engineers' International Association	1,746.25	1,659.92
Furniture Workers of America, United	20,608.20	20,529.53
Garment Workers of America, United	23,550.00	22,750.00
Garment Workers Union, International Ladies'	227,601.98	228,764.34
Glass and Ceramic Workers of North America, United Glass Bottle Blowers' Association of the United States and Canada	21,137.97	22,817.75
Glass Cutters League of America, Window	31,150.00	32,985.00
Glass Workers Union, American Flint	720.00	1,008.00
Glove Workers Union of America, International	17,366.25	16,604.52
Government Employees, American Federation of	1,722.25	1,491.53
Grain Millers, American Federation of	35,655.16	36,004.66
Granite Cutters International Association of America, The	18,504.15	19,119.19
Hatters, Cap and Millinery Workers International Union, United	1,650.00	1,402.50
Hod Carriers, Building and Common Laborers Union of America, International	19,840.00	20,160.00
Horse Shoers of United States and Canada, International Union of Journeymen	241,725.00	253,890.00
Hosiery Workers, American Federation of	168.70	179.20
Hotel and Restaurant Employees' and Bartenders' International Union	3,910.00	3,465.00
Industrial Workers of America, International Union, Allied	180,000.00	189,000.00
Insurance Agents International Union	41,981.12	40,016.57
Insurance Workers of America	7,315.75	7,429.53
Jewelry Workers Union, International	5,731.50	5,533.01
Lathers, International Union of Wood, Wire and Metal Laundry and Dry Cleaning International Union, AFL-CIO	13,796.36	9,407.12
Leather Goods, Plastics and Novelty Workers Union, International	9,600.00	10,084.80
Leather Workers International Union of America	15,500.00	
Letter Carriers, National Association of	19,936.93	16,224.75
Lithographers of America, Amalgamated	3,097.00	3,274.10
Locomotive Firemen and Enginemen, Brotherhood of	60,000.00	63,000.00
Longshoremen, International Brotherhood of	18,070.80	3,068.40
Machinists, International Association of	32,369.74	32,690.99
Maintenance of Way Employees, Brotherhood of	8,498.50	8,532.21
Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers and Terrazzo	433,752.65	421,371.04
Helpers, International Association of	80,570.68	75,883.38
Marine and Shipbuilding Workers of America, Industrial Union of	4,961.26	4,960.62
	21,992.65	20,536.44

## STATEMENT NO. 3 (Cont'd)

Received From	Amount Received	
	July 1, 1957	July 1, 1958
	to June 30, 1958	to June 30, 1959
Marine Engineers' Beneficial Association, National . . . . .	4,800.00	5,040.00
Maritime Union of America, National . . . . .	26,195.05	20,800.00
Masters, Mates and Pilots, International Organization of . . . . .	5,565.00	7,505.00
Master Mechanics and Foremen of Navy Yards and Naval Stations, National Association of . . . . .	318.00	
Meat Cutters and Butcher Workmen of North America, Amalgamated . . . . .	195,857.80	220,283.14
Mechanics Educational Society of America . . . . .	26,825.00	24,408.00
Metal Workers International Association, Sheet . . . . .	43,500.00	47,250.00
Molders and Foundry Workers of North America, In- ternational . . . . .	35,598.00	32,950.00
Musicians, American Federation of . . . . .	152,219.15	143,515.01
Newspaper Guild, American . . . . .	14,225.20	15,037.86
Office Employees International Union . . . . .	27,202.60	29,331.82
Oil, Chemical and Atomic Workers International Union . . . . .	98,716.75	97,766.13
Packinghouse Workers of America, United . . . . .	54,330.60	53,369.62
Painters, Decorators and Paperhangers of America, Brotherhood of . . . . .	108,680.40	113,211.56
Papermakers and Paperworkers, United . . . . .	71,374.94	71,356.46
Pattern Makers League of North America . . . . .	6,710.00	6,930.00
Plasterers' and Cement Masons' International Associa- tion of the United States and Canada, Operative . . . . .	39,640.00	42,740.00
Plumbing and Pipe Fitting Industry of the United States and Canada, United Association of Journeymen and Apprentices of the . . . . .	120,000.00	128,000.00
Polishers, Buffers, Platers and Helpers International Union, Metal . . . . .	9,100.60	8,349.16
Porters, Brotherhood of Sleeping Car . . . . .	5,100.00	4,600.00
Post Office Motor Vehicle Employees, National Federa- tion of . . . . .		2,363.89
Post Office and Postal Transportation Service Mail Handlers, Watchmen and Messengers, National As- sociation of . . . . .	720.00	756.00
Postal Transport Association, National . . . . .	12,789.05	11,833.55
Potters, International Brotherhood of Operative . . . . .	18,000.00	16,750.00
Printers, Die Stampers and Engravers Union of North America, International Plate . . . . .	456.00	648.00
Printing Pressmen's and Assistants' Union of North America, International . . . . .	56,773.25	60,912.78
Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood of . . . . .	97,572.85	105,830.00
Radio and Television Directors Guild . . . . .	456.00	480.00
Radio Association, American . . . . .	948.00	995.40
Railroad Trainmen, Brotherhood of . . . . .	75,098.90	81,021.83
Railway Employees of America, Amalgamated Associa- tion of Street and Electric . . . . .	75,738.90	76,585.22
Railway Patrolmen's International Union . . . . .	1,524.70	1,793.01
Railway Supervisors Association, American . . . . .	3,460.85	3,890.32
Retail, Wholesale and Department Store Union . . . . .	64,080.00	70,488.00
Roofers, Damp and Waterproof Workers Association, United Slate, Tile and Composition . . . . .	12,447.02	13,174.23
Rubber, Cork, Linoleum and Plastic Workers of America, United . . . . .	94,528.30	93,207.43
Seafarers International Union of North America . . . . .	34,688.98	36,373.11

**STATEMENT NO. 3 (Cont'd)**

Received From	Amount Received	
	July 1, 1957	July 1, 1958
	to June 30, 1958	to June 30, 1959
Shoe Workers of America, United	30,224.15	31,061.19
Siderographers, International Association of		71.40
Signalmen of America, Brotherhood Railroad	8,911.95	7,547.58
Special Delivery Messengers, The National Association of	1,140.00	1,240.00
Stage Employees and Moving Picture Machine Operators of the United States and Canada, International Alliance of Theatrical	30,561.00	32,064.00
State, County and Municipal Employees, American Federation of	109,103.10	88,520.15
Steelworkers of America, United	567,178.60	532,305.88
Stereotypers and Electrotypers Union of North America, International	7,146.75	7,350.63
Stone and Allied Products Workers of America, United	7,631.70	7,153.51
Stonecutters Association of North America, Journeymen	1,159.00	1,216.00
Stove Mounters International Union	3,735.15	6,254.74
Switchmen's Union of North America	6,819.10	6,748.85
Teachers, American Federation of	25,743.90	35,034.78
Teamsters, Chauffeurs, Warehousemen and Helpers of America, International Brotherhood of	272,816.70	
Telegraphers, The Order of Railroad	18,000.00	18,900.00
Telegraphers' Union, The Commercial	18,083.70	17,615.95
Textile Workers of America, United	22,888.73	22,011.64
Textile Workers Union of America	112,000.00	102,000.00
Tobacco Workers International Union	14,800.07	16,771.10
Train Dispatchers Association, American	2,400.00	2,560.00
Transport Service Employees of America, United	1,800.00	1,890.00
Transport Workers Union of America	48,000.00	50,400.00
Typographical Union, International	47,542.15	50,197.00
Upholsterers' International Union of North America	30,166.06	31,550.80
Utility Workers Union of America	32,906.47	31,778.82
Wall Paper Craftsmen and Workers of North America, United	673.60	
Weavers Protective Association, American Wire	250.22	173.81
Woodworkers of America, International	31,597.70	31,821.21
Yardmasters of America, Railroad	2,400.00	2,560.00
<b>Total Received</b>	<b>8,093,452.62</b>	<b>7,846,087.19</b>
Add: Per capita taxes and assessments receivable at end of period	415,200.00	568,350.00
<b>Deduct: Per capita taxes receivable at beginning of period</b>	<b>8,508,652.62</b>	<b>8,414,437.19</b>
<b>TOTAL INCOME FROM PER CAPITA TAXES AND ASSESSMENTS</b>	<b>7,965,282.62</b>	<b>7,999,237.19</b>
<b>Allocation of Total Per Capita Taxes and Assessments</b>		
General Fund per capita	7,965,282.62	7,493,281.28
Special Purposes Fund assessments		505,955.91
<b>Total</b>	<b>7,965,282.62</b>	<b>7,999,237.19</b>

**STATEMENT NO. 4**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF NATIONAL AND INTERNATIONAL UNION EXPENSES**  
**(INCLUDING ORGANIZING DRIVES)**

	<b>Totals</b>	<b>July 1, 1957</b>	<b>July 1, 1958</b>	<b>Salaries July 1, 1957</b>	<b>July 1, 1958</b>	<b>Travel Expenses July 1, 1957</b>	<b>Subsidies July 1, 1957</b>
National or International Union							
to June 30,							
1958							
AFL-CIO Organizing Committee for Agricultural Workers	6,179.04			3,530.90		2,619.04	
Bakery and Confectionery Workers International Union, American	100,082.04	101,982.17	7,176.00	2,298.90	3,901.46	4,669.32	\$8,954.58
Furniture Workers of America, United	2,500.00						94,965.95
Longshoremen, International Brotherhood of	1,500.00						2,500.00
Textile Organizing Drive	75,814.16			46,184.56	29,620.60		1,500.00
Wire Weavers Protective Association, American	1,000.00					1,000.00	
Woodworkers of America, International	5,000.00						5,000.00
Automobile rentals	3,948.47					3,948.47	
Public transportation	480.45					480.45	
<b>Totals</b>	<b>182,775.12</b>	<b>115,611.21</b>	<b>53,360.56</b>	<b>6,926.90</b>	<b>7,318.86</b>	<b>91,464.58</b>	<b>102,465.95</b>

**STATEMENT NO. 5**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF REGIONAL OFFICES EXPENSES**

Region	July 1, 1957		July 1, 1958		July 1, 1959		Salaries July 1, 1957		Travel Expenses July 1, 1957		Office Maintenance July 1, 1957	
	Totals	to June 30, 1958	to June 30, 1959	to June 30, 1958	to June 30, 1959	to June 30, 1958	to June 30, 1959	to June 30, 1958	to June 30, 1959	to June 30, 1958	to June 30, 1959	
1 Boston .....	155,663.41	115,050.62	114,263.61	84,550.94	32,208.69	25,607.53	9,191.11	8,852.05				
2 New York .....	249,486.30	187,411.48	146,768.49	95,139.08	48,566.45	28,986.35	14,123.36	13,291.83				
3 Philadelphia .....	173,385.56	130,497.56	128,075.65	91,711.16	37,777.90	27,849.35	12,262.11	10,907.05				
4 Baltimore .....	145,663.71	109,067.61	106,759.98	75,729.61	34,277.06	24,423.53	8,556.75	6,984.47				
5 Charlotte .....	112,510.04	63,655.45	80,074.76	43,539.00	27,149.28	14,637.35	5,346.00	5,469.10				
6 Atlanta .....	119,128.78	122,728.32	117,243.12	121,984.83	31,736.22	15,151.25	8,155.98	8,155.98				
7 New Orleans .....	101,634.77	101,675.05	73,320.44	67,414.94	39,812.31	5,992.02	6,166.83	6,166.83				
8 Knoxville .....	125,374.60	102,408.10	92,119.54	75,216.84	58,440.92	22,116.14	4,955.14	5,071.62				
9 Cleveland .....	142,750.35	149,053.84	95,065.90	68,723.89	32,720.77	15,839.45	3,920.77	3,920.77				
10 Indianapolis .....	78,833.72	61,497.95	58,223.04	45,221.84	16,532.03	12,312.41	4,088.65	4,088.65				
11 Detroit .....	71,576.41	56,038.15	48,116.21	38,727.34	16,636.99	11,465.49	3,586.21	3,586.21				
12 Milwaukee .....	85,040.10	64,118.52	57,887.04	46,162.34	20,385.52	10,922.53	6,984.54	6,984.54				
13 St. Paul .....	69,468.17	67,794.69	50,381.64	33,163.78	10,344.04	5,377.75	3,186.75	3,186.75				
14 Chicago .....	155,322.46	116,228.96	83,205.46	75,086.24	28,566.34	14,661.66	16,118.46	16,118.46				
15 St. Louis .....	124,046.16	98,944.09	81,470.60	57,962.05	25,966.19	10,179.98	11,237.16	11,237.16				
16 Tulsa .....	78,173.19	66,679.76	54,619.79	45,077.86	20,073.23	11,615.74	5,126.17	5,126.17				
17 Fort Worth .....	116,367.89	98,344.04	81,311.07	64,983.68	28,054.57	12,124.90	7,002.31	7,002.31				
18 Phoenix .....	62,827.10	46,972.77	44,083.95	30,084.10	10,706.24	6,448.99	3,526.93	3,526.93				
19 Denver .....	64,856.66	60,471.02	41,972.88	37,620.40	13,394.16	8,483.26	3,985.88	3,985.88				
20 Boise .....	39,091.32	39,266.29	29,091.34	14,400.42	8,610.67	5,069.91	2,274.94	2,274.94				
21 Portland .....	84,010.30	67,790.81	60,410.24	49,380.84	18,659.65	5,180.41	1,249.84	1,249.84				
22 San Francisco .....	127,939.56	101,493.02	90,846.95	71,811.86	25,494.15	11,589.46	10,219.75	10,219.75				
Other Offices												
Honolulu .....	17,279.91	19,391.58	11,643.00	13,346.00	3,666.85	3,442.10	1,970.06	1,970.06				
San Juan .....	10,445.56	24,282.31	8,793.00	14,911.77	1,378,689.79	7,125.39	1,649.56	1,649.56				
	2,585,200.01	1,996,697.97	1,812,674.48	1,378,689.79	356,977.46	449,831.63	178,448.08	178,448.08				
Automobile rentals .....	282,231.64	222,277.26			282,231.64	22,277.26						
Public transportation .....	24,065.97	20,251.63			24,065.97	20,251.63						
Moving expense (organizer) .....	8,444.95	258.65			8,444.95	258.65						
Totals .....	2,900,885.57	2,239,486.41	1,812,674.48	1,378,689.79	909,765.01	686,619.07	174,176.55	174,176.55				

**STATEMENT NO. 6**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF HEADQUARTERS EXPENSES,**  
**ADMINISTRATIVE DEPARTMENTS**

	July 1, 1957	July 1, 1958
	to June 30, 1958	to June 30, 1959
<b>Executive Offices</b>		
Salaries .....	282,366.35	318,877.61
Travel expenses .....	52,803.91	68,057.59
Printing .....	1,430.72	272.08
Supplies .....	171.22	231.21
Subscriptions .....	465.27	416.94
Other .....	4,360.35	2,563.38
<b>Total Executive Offices</b> .....	<b>341,597.82</b>	<b>390,418.81</b>
<b>Accounting</b>		
Salaries .....	122,566.45	113,363.60
Travel expense .....	137.09	1,697.04
Printing .....	2,786.49	934.22
Supplies .....	1,758.01	1,751.62
Other .....	175.27	86.42
<b>Total Accounting</b> .....	<b>127,423.31</b>	<b>117,832.90</b>
<b>Tabulating</b>		
Salaries .....	39,977.52	36,613.21
Travel expense .....	97.81	-0-
Printing .....	384.64	3,279.04
Supplies .....	868.59	2,874.09
Other .....	1,378.82	3.27
<b>Total Tabulating</b> .....	<b>42,707.38</b>	<b>42,769.61</b>
<b>Library</b>		
Salaries .....	24,267.80	20,526.25
Supplies .....	351.01	434.07
Books and subscriptions .....	3,591.81	2,344.01
Other .....	129.34	142.80
<b>Total Library</b> .....	<b>28,339.96</b>	<b>23,447.13</b>
<b>File Room and Switchboard</b>		
Salaries .....	43,775.28	45,263.61
Printing .....	2,189.76	-0-
Other .....	758.49	287.07
<b>Total File Room and Switchboard</b> .....	<b>46,723.53</b>	<b>45,550.68</b>
<b>Mail Room</b>		
Salaries .....	33,439.14	35,470.38
Printing .....	4,740.98	4,863.39
Postage .....	61,099.02	75,158.60
Supplies .....	30,855.81	32,441.21
Other .....	1,338.61	1,112.80
<b>Total Mail Room</b> .....	<b>131,473.56</b>	<b>149,046.38</b>
<b>Stock Room</b>		
Salaries .....	34,861.12	35,853.06
Postage .....	-0-	182.01
Supplies .....	17,683.64	17,553.24
Other .....	210.39	241.76
<b>Total Stock Room</b> .....	<b>52,755.15</b>	<b>53,830.07</b>
<b>TOTAL HEADQUARTERS EXPENSES, ADMINISTRATIVE DEPARTMENTS</b>	<b>771,020.71</b>	<b>822,895.58</b>

**STATEMENT NO. 7**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF HEADQUARTERS EXPENSES, OTHER DEPARTMENTS**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
<b>Organization</b>		
Salaries . . . . .	107,121.16	74,603.02
Travel expenses . . . . .	23,382.59	20,965.85
Printing . . . . .	1,290.40	5,669.08
Subscriptions . . . . .	441.71	1,539.19
Conferences . . . . .	-0-	2,301.27
Other . . . . .	46.83	26.80
<b>Total Organization</b> . . . . .	<hr/> 132,282.69	<hr/> 105,105.21
<b>Public Relations</b>		
Salaries . . . . .	58,058.92	119,537.44
Travel expenses . . . . .	3,862.55	11,674.72
Printing . . . . .	5,293.07	3,337.27
Subscriptions . . . . .	317.91	1,266.56
Speakers Bureau—salaries and travel expenses . . . . .	94,964.64	237,964.27
Radio programs . . . . .	686,151.17	489,750.54
Television programs . . . . .	1,026.25	252,182.34
Recordings . . . . .	48,187.78	57,748.90
Films and projectors . . . . .	27,444.36	5,465.66
Other . . . . .	19,121.80	8,482.17
<b>Total Public Relations</b> . . . . .	<hr/> 944,428.45	<hr/> 1,187,409.87
<b>Publications</b>		
Salaries . . . . .	127,350.02	85,109.80
Travel expenses . . . . .	8,639.48	3,585.84
Subscriptions . . . . .	1,521.28	1,748.83
Newspaper costs (AFL-CIO News) . . . . .	251,542.82	198,986.59
Magazine costs (Federationist) . . . . .	140,823.67	121,394.50
Pamphlets . . . . .	89,593.99	68,063.10
Other . . . . .	3,528.21	1,206.96
<b>Total Publications</b> . . . . .	<hr/> 622,999.47	<hr/> 480,095.62
<b>Research</b>		
Salaries . . . . .	159,067.36	167,752.37
Travel expenses . . . . .	16,135.35	24,772.45
Printing . . . . .	43,902.72	47,334.10
Subscriptions . . . . .	5,632.50	5,391.53
Conferences . . . . .	-0-	18,825.71
Other . . . . .	18,423.86	12,657.94
<b>Total Research</b> . . . . .	<hr/> 243,161.79	<hr/> 276,734.10
<b>Education</b>		
Salaries . . . . .	90,459.83	106,878.03
Travel expenses . . . . .	16,251.16	19,735.86
Printing . . . . .	46,275.07	99,315.61

**STATEMENT NO. 7 (Cont'd)**

	July 1, 1957 to June 30, 1958	July 1, 1958 to June 30, 1959
Subscriptions .....	763.01	203.59
Films and projectors .....	10,892.62	5,651.32
Conferences .....	-0-	792.94
Other .....	2,516.70	1,304.83
<b>Total Education .....</b>	<b>167,158.39</b>	<b>233,882.18</b>
 <b>Social Insurance</b>		
Salaries .....	77,781.05	80,815.38
Travel expenses .....	10,285.67	9,452.25
Printing .....	2,027.89	705.16
Subscriptions .....	1,163.30	776.50
Other .....	2,782.65	1,460.93
<b>Total Social Insurance .....</b>	<b>94,040.56</b>	<b>93,210.22</b>
 <b>Legislative</b>		
Salaries .....	122,917.85	148,386.40
Travel expenses .....	14,106.66	25,157.38
Printing .....	2,713.86	16,404.50
Subscriptions .....	4,411.96	2,678.68
Special expense—state legislation .....	24,868.49	227,250.87
Other .....	6,725.15	7,224.70
<b>Total Legislative .....</b>	<b>175,743.97</b>	<b>427,102.53</b>
 <b>Legal</b>		
Salaries .....	23,197.51	23,814.02
Travel expenses .....	836.72	753.43
Subscriptions .....	1,209.32	1,811.02
Attorneys' fees .....	99,427.71	108,141.86
Other .....	69.70	56.94
<b>Total Legal .....</b>	<b>124,740.96</b>	<b>134,577.27</b>
 <b>International Affairs</b>		
Salaries .....	150,222.66	160,986.61
Travel expenses .....	41,844.77	52,743.87
Printing .....	37,372.85	18,391.95
Subscriptions .....	1,367.75	242.88
Conferences .....	-0-	3,212.66
International Confederation of		
Free Trade Unions .....	268,590.88	282,090.32
Inter-American Regional Organization .....	85,861.49	82,031.17
Union Scholarship program .....	32,560.18	32,324.14
Office expenses		
Paris, France .....	9,096.81	8,298.69
New York, N. Y. ....	5,982.78	11,316.23
Other .....	3,387.63	4,486.61
<b>Total International Affairs .....</b>	<b>636,287.80</b>	<b>656,125.13</b>
 <b>TOTAL HEADQUARTERS EXPENSES, OTHER DEPARTMENTS .....</b>	<b>3,140,844.08</b>	<b>3,594,242.13</b>

**STATEMENT NO. 8**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF HEADQUARTERS EXPENSES, COMMITTEES**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
<b>Committee on Political Education</b>		
Salaries .....	331,007.39	301,006.67
Travel expenses .....	121,379.16	117,833.30
Printing .....	65,221.64	147,432.06
Mailing and postage .....	33,418.76	67,503.22
Supplies .....	5,723.38	7,465.14
Telephone and telegraph .....	4,997.62	9,663.32
Subscriptions .....	3,364.51	3,193.87
Field offices .....	10,977.24	14,222.69
Matching funds for state political education activity .....	11,106.98	49,164.48
Other .....	9,070.84	2,516.11
<b>Total Committee on Political Education .....</b>	<b>596,267.52</b>	<b>720,000.86</b>
<b>Civil Rights Committee</b>		
Salaries .....	44,381.20	39,684.93
Travel expenses .....	14,788.06	12,865.22
Printing .....	3,490.29	2,316.26
Subscriptions .....	571.69	617.73
Other .....	1,124.01	315.51
<b>Total Civil Rights Committee .....</b>	<b>64,355.25</b>	<b>55,799.65</b>
<b>Community Services Committee</b>		
Salaries .....	61,004.88	57,040.80
Travel expenses .....	9,797.08	11,629.15
Printing .....	9,549.33	6,340.76
Postage .....	2,426.41	3,620.69
Supplies .....	5,049.37	4,292.99
Telephone and telegraph .....	3,410.20	6,624.49
Subscriptions .....	664.76	555.25
Rent .....	9,653.26	10,304.49
Office expenses .....	2,282.45	3,194.80
Conferences .....	5,056.47	1,749.77
Exhibits .....	10,666.12	-0-
Other .....	8,393.82	3,308.30
<b>Total Community Services Committee .....</b>	<b>127,954.15</b>	<b>108,661.49</b>
<b>TOTAL HEADQUARTERS EXPENSES, COMMITTEES .....</b>	<b>788,576.92</b>	<b>884,462.00</b>

**STATEMENT NO. 9**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF HEADQUARTERS EXPENSES,**  
**OTHER GENERAL EXPENSES**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
Employees' pension and retirement plans . . . . .	324,699.54	309,432.88
Employees' life insurance and medical plans . . . . .	193,590.52	155,586.60
Payroll taxes . . . . .	69,285.23	67,944.65
Other taxes . . . . .	10,656.82	10,946.54
Telephone and telegraph . . . . .	76,503.57	82,764.04
Printing . . . . .	10,837.22	31,032.65
General office supplies and expense . . . . .	57,468.65	42,243.74
General insurance . . . . .	9,518.12	10,271.92
Workmen's compensation insurance . . . . .	6,949.25	10,074.37
Convention expense . . . . .	135,603.74	105.10
Conference expense . . . . .	181,107.11	131,266.29
Exhibits . . . . .	21,843.45	15,599.97
Interest . . . . .	27,235.28	23,887.43
Religious relations representative		
Salaries . . . . .	13,453.18	14,955.47
Travel expense . . . . .	2,298.24	5,209.74
Other . . . . .	445.16	2,641.26
Depreciation, furniture, fixtures and equipment . . . . .	64,599.01	66,533.30
Headquarters building		
Salaries . . . . .	140,290.29	134,351.00
Light, heat and power . . . . .	38,147.10	38,466.86
Taxes . . . . .	60,871.22	60,756.22
Insurance . . . . .	2,704.83	3,568.44
Repairs . . . . .	23,022.85	19,484.41
Supplies . . . . .	10,886.51	7,558.07
Depreciation . . . . .	84,491.37	84,106.54
Other . . . . .	6,242.82	5,802.49
Miscellaneous . . . . .	28,936.95	30,748.61
<b>TOTALS . . . . .</b>	<b>1,601,688.03</b>	<b>1,365,338.59</b>

**STATEMENT NO. 10**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF DIRECTLY AFFILIATED LOCALS AND**  
**CENTRAL BODIES EXPENSES**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
Auditing		
Salaries .....	44,313.00	43,771.30
Travel expenses .....	24,384.82	24,968.39
Other .....	455.82	1,706.53
Organizational supplies .....	8,788.45	9,506.12
Bond premiums .....	12,147.57	10,196.60
Per capita taxes .....	400.26	1,107.10
Subsidies .....	17,258.07	38,665.00
<b>TOTALS</b> .....	<b>107,747.99</b>	<b>129,921.04</b>

**STATEMENT NO. 11**  
**AMERICAN FEDERATION OF LABOR AND**  
**CONGRESS OF INDUSTRIAL ORGANIZATIONS**  
**STATEMENT OF CONTRIBUTIONS**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
AFL-CIO Auxiliaries .....	8,625.00	12,000.00
Conference on Economic Progress .....	11,000.00	17,000.00
Joint Council on Economic Education .....		5,000.00
Joint Minimum Wage Committee, AFL-CIO .....		2,500.00
Murray-Green Award to Robert Hope .....		5,000.00
Murray-Green Award to Dr. Jonas Salk .....	5,000.00	
National Advisory Committee on Farm Labor .....		10,000.00
National Child Labor Committee .....	3,500.00	1,000.00
National Foundation for Infantile Paralysis .....	2,152.00	2,154.00
National Institute of Labor Education .....		10,000.00
Religion and Labor Foundation .....	2,000.00	1,000.00
United Givers Fund .....	2,500.00	2,500.00
Other .....	12,700.00	11,750.00
<b>TOTALS</b> .....	<b>47,477.00</b>	<b>79,904.00</b>

**STATEMENT NO. 12**

**AMERICAN FEDERATION OF LABOR AND  
CONGRESS OF INDUSTRIAL ORGANIZATIONS  
STATEMENT OF DEFENSE FUND INCOME, EXPENSES AND BALANCES**

	July 1 1957	July 1 1958
	to June 30, 1958	to June 30, 1959
Defense Fund balance, beginning of period ...	756,946.54	807,223.15
Add: Per capita taxes from directly affiliated locals allocated to Fund (8½¢ per member per month) .....	132,868.69	108,204.51
	889,815.23	915,427.66
Deduct: Disbursements to Local Unions to sustain authorized strikes or lockouts (currently at \$15.00 per week per eligible member) .....	82,592.08	191,635.00
<b>DEFENSE FUND BALANCE, END OF PERIOD (Note 1)</b> .....	807,223.15	723,792.66

**Note 1:** The Defense Fund is for Local Unions directly affiliated with the AFL-CIO. Defense Fund receipts and disbursements are recorded in the General Fund of the organization. Therefore, the Defense Fund balance of \$723,792.66 at June 30, 1959 represents a liability of the General Fund and is reflected as such in the balance sheet of the General Fund (Statement No. 1).

**STATEMENT NO. 13**

**AMERICAN FEDERATION OF LABOR AND  
CONGRESS OF INDUSTRIAL ORGANIZATIONS  
STATEMENT OF SPECIAL PURPOSES FUND INCOME,  
EXPENSES AND BALANCE, MARCH 1, TO JUNE 30, 1959**

**Income**

Special assessments	
National and International Unions	
(Statement No. 3) .....	505,955.91
Directly affiliated locals .....	3,479.08

**Total Income .....** 509,434.99

**Expenses**

Contribution to International Confederation of Free Trade Unions Solidarity Fund .....	96,556.00
Special expense—state legislation .....	43,704.95
AFL-CIO Organizing Committee for Agricultural Workers .....	8,721.89
Assistance to affiliates	
International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers .....	20,000.00
International Woodworkers of America	50,000.00
<b>Total Expenses .....</b>	<span style="float: right;">70,000.00</span> <span style="float: right;">218,982.84</span>

**SPECIAL PURPOSES FUND BALANCE,  
JUNE 30, 1959 REPRESENTED BY  
THE EXCESS OF INCOME OVER  
EXPENSES (Note 1) .....** 290,452.15

**Note 1:** The Special Purposes Fund was established by the AFL-CIO Executive Council at their meeting in February, 1959. The resolution establishing the Fund provided that all monies received from a special levy of one-cent per member per month for six months, from March 1, through August 31, 1959, should be placed in a special fund which could be withdrawn only by motion of the Executive Council. Special Purposes Fund receipts and disbursements are recorded in the General Fund of the organization. Therefore, the Special Purposes Fund balance of \$290,452.15 at June 30, 1959 represents a liability of the General Fund and is reflected as such in the balance sheet of the General Fund (Statement No. 1).

**MAIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
PENNSYLVANIA BUILDING  
WASHINGTON 4, D. C.

July 31, 1959

To the Trustees,  
AFL-CIO Organizers Pension Plan and  
AFL-CIO Staff Retirement Plan

**ACCOUNTANTS' CERTIFICATE**

We have examined the receipts and disbursements of the AFL-CIO Organizers Pension Plan and the AFL-CIO Staff Retirement Plan for the period July 1, 1957 to June 30, 1959, and have verified the assets of the two plans at June 30, 1959.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of Receipts, Disbursements and Balances present fairly the cash and investments of the AFL-CIO Organizers Pension Plan and the AFL-CIO Staff Retirement Plan at June 30, 1959, and the results of the transactions in the respective Plans for the period July 1, 1957 to June 30, 1959.

**MAIN AND COMPANY,**  
*Certified Public Accountants*

**AFL-CIO ORGANIZERS PENSION PLAN**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND BALANCES**  
**FOR PERIOD JULY 1, 1957 TO JUNE 30, 1959**

**Receipts**

Current service contributions .....	302,721.01
Transfers from AFL-CIO Staff Retirement	
Plan for past service of National office	
employees transferred to field staff ....	8,823.64
Income from investments .....	43,669.30
<b>Total Receipts</b> .....	<b>355,213.95</b>

**Disbursements**

Pensions to retired employees .....	110,790.88
Transfers to AFL-CIO Staff Retirement	
Plan for past service of field employees	
transferred to National office .....	12,904.79

**Total Disbursements** .....

**123,695.67**

**Excess of Receipts over Disbursements**

Balance, July 1, 1957 .....

231,518.28

641,695.83

**BALANCE, JUNE 30, 1959** .....

**873,214.11**

**Assets Comprising Balance at June 30, 1959**

Cash in bank .....	15,357.86
United States Treasury Bonds (at cost) ..	857,856.25
	<b>873,214.11</b>

**Note:** The United States Treasury Bonds carried at costs aggregating \$857,856.25, represent bonds having a maturity value of \$890,000.00

**AFL-CIO STAFF RETIREMENT PLAN  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND BALANCES  
FOR PERIOD JULY 1, 1957 TO JUNE 30, 1959**

<b>Receipts</b>			
Current service contributions			
From AFL-CIO .....	297,155.85		
From affiliated departments and central bodies .....	64,889.08	362,044.93	
Past service contributions			
From AFL-CIO .....	8,506.54		
For field employees transferred to National office .....	12,904.79		
From affiliated departments .....	48,289.04	69,700.37	
Income from investments .....			45,704.96
<b>Total Receipts</b> .....			<u>477,450.26</u>
<b>Disbursements</b>			
Lump sum payments to employees resigning during period .....			121,076.67
Payments of deceased employees' equities to beneficiaries .....			46,602.46
Transfers to AFL-CIO Organizers Pension Plan for past service of National office employees transferred to field staff			8,823.64
Transfer of employees' equities to pension plans of International unions .....			7,662.51
Pensions to retired employees .....			25,687.47
<b>Total Disbursements</b> .....			<u>209,832.75</u>
<b>Excess of Receipts over Disbursements</b>			<u>267,617.51</u>
Balance, July 1, 1957 .....			<u>983,501.41</u>
<b>BALANCE, JUNE 30, 1959</b> .....			<u>1,251,118.92</u>
<b>Assets Comprising Balance at June 30, 1959</b>			
Cash in bank .....			10,590.17
Investments (at cost)			
In name of employees			
United States Savings Bonds, Series E .....	136,293.75		
In name of plan			
United States Savings Bonds, Series F .....	14,800.00		
Series G .....	161,000.00		
Series J .....	18,360.00		
Series K .....	173,000.00		
United States Treasury Bonds .....	737,075.00		
<b>Total</b> .....			<u>1,240,528.75</u>
<b>Funds into which assets are allocated at June 30, 1959:</b>			<u>1,251,118.92</u>
Retired individuals .....			122,093.47
Employees' equity .....			865,986.69
Contingency .....			183,927.56
Escrow (contributions on behalf of employees with less than 2 years service) .....			29,293.74
Unallocated interest .....			49,817.46
<b>Total</b> .....			<u>1,251,118.92</u>

**Note:** The investments in United States Savings and Treasury Bonds carried at costs aggregating \$1,240,528.75, represent bonds having a maturity value of \$1,331,225.00.

**MAIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
PENNSYLVANIA BUILDING  
WASHINGTON 4, D. C.

July 31, 1959

Executive Council  
American Federation of Labor and  
Congress of Industrial Organizations

**ACCOUNTANTS' CERTIFICATE**

We have examined the receipts and disbursements of the AFL-CIO International Free Labor Fund for the period July 1, 1957 to June 30, 1959, and have verified the cash balance of the fund at June 30, 1959.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of receipts, disbursements, and cash balances presents fairly the cash position of the AFL-CIO International Free Labor Fund at June 30, 1959, and the results of the cash transactions of the Fund for the period July 1, 1957 to June 30, 1959.

**MAIN AND COMPANY,**  
*Certified Public Accountants*

**AFL-CIO INTERNATIONAL FREE LABOR FUND  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CASH BALANCES  
FOR PERIOD JULY 1, 1957 TO JUNE 30, 1959**

**Receipts**

Contributions .....	1,350.00
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**Disbursements**

Contributions

Cyprus Workers Confederation .....	5,000.00
Federation of Free Croat Workers ...	3,000.00
Singapore Trade Union Congress ....	5,000.00
Federation of Northern Workers of Honduras .....	1,000.00
Tunisian General Workers Union ....	1,000.00
Federal Union of Cameroun .....	1,000.00
South African Defense Fund .....	1,000.00
Kenya Trial Defense Fund .....	2,500.00
Algerian General Workers Union ....	2,500.00
Other .....	339.12
	<b>22,339.12</b>

Foreign draft charges .....	15.40
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<b>Total Disbursements .....</b>	<b>22,354.52</b>
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**Excess of Disbursements over Receipts**

Cash balance, July 1, 1957 .....	21,004.52
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<b>CASH BALANCE, JUNE 30, 1959</b>	<b>62,940.39</b>
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**Composition June 30, 1959 cash balance**

American Security Trust Company, Washington, D. C.—checking account ..	41,935.87
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**AMERICAN FEDERATION OF LABOR AND CONGRESS OF  
INDUSTRIAL ORGANIZATIONS PAID MEMBERSHIP**

The following table shows the paid membership in nearest thousands of the affiliated unions of the American Federation of Labor and Congress of Industrial Organizations for the years, 1955, 1957 and 1959. This table is based upon the average per capita membership paid to the American Federation of Labor and Congress of Industrial Organizations. The 1959 figures are based on the two year fiscal period ending June 30, 1959.

Organizations	Thousands of Members		
	1955	1957	1959
Actors and Artistes of America, Associated .....	34	43	51
Agricultural Workers Union, National .....	4	4	4
Air Line Dispatchers Association .....	1	1	1
Air Line Pilots Association .....	9	14	18
Aluminum Workers International Union .....	20	22	18
Asbestos Workers, International Association of Heat and Frost Insulators and .....	9	10	10
Automobile, Aircraft and Agricultural Implement Workers of America, United .....	1,260	1,216	1,060
Automobile Workers of America, International Union, United .....	73	a	b 40
Bakery and Confectionery Workers International Union, American .....	..	..	b 40
Barbers and Beauty Culturists Union of America .....	3	c	
Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen .....	65	69	73
Bill Posters, Billers and Distributors of the United States and Canada, International Alliance of .....	2	2	2
Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of .....	151	151	151
Bookbinders, International Brotherhood of .....	51	54	56
Boot and Shoe Workers' Union .....	40	40	40
Brewery, Flour, Cereal, Soft Drink and Distillery Workers, International Union of United Bricklayers, Masons and Plasterers International Union of America .....	45	45	45
Brick and Clay Workers of America, The United .....	120	120	120
Bridge and Structural Iron Workers, International Association of .....	23	25	23
Broadcast Employees and Technicians, National Association of .....	133	136	144
Broom and Whisk Makers Union, International .....	4	4	4
Building Service Employees International Union .....	1	1	1
Carmen of America, Brotherhood Railway .....	205	222	235
Carpenters and Joiners of America, United Brotherhood of .....	116	127	111
Cement, Lime and Gypsum Workers International Union, United .....	750	750	750
Chemical Workers Union, International .....	35	35	34
Cigarmakers International Union of America .....	79	72	67
Clerks, National Federation of Post Office .....	9	8	7
Clerks, Brotherhood of Railway .....	97	96	94
Clerks International Association, Retail .....	264	267	250
Clothing Workers of America, Amalgamated .....	259	291	315
Communications Workers of America .....	210	273	288
Coopers International Union of North America .....	249	250	261
Distillery, Rectifying and Wine Workers International Union .....	3	4	4
	26	25	31

Organizations	1955	1957	1959
Doll and Toy Workers of the United States and Canada, International Union of .....	14	17	18
Electrical, Radio and Machine Workers, International Union of .....	271	314	280
Electrical Workers, International Brotherhood of	460	464	514
Elevator Constructors, International Union of ..	10	10	10
Engineers, International Union of Operating ...	200	200	241
Engineers, American Federation of Technical ..	10	12	13
Engravers and Marking Device Workers Union, International Metal .....	1	d	
Engravers Union of North America, International Photo .....	16	16	16
Fire Fighters, International Association of .....	72	78	80
Firemen and Oilers, International Brotherhood of	57	57	54
Flight Engineers' International Association .....	1	2	3
Furniture Workers of America, United .....	34	39	35
Garment Workers of America, United .....	40	40	38
Garment Workers Union, International Ladies .....	383	373	368
Glass and Ceramic Workers of North America, United .....	41	42	36
Glass Bottle Blowers' Association of the United States and Canada .....	47	52	52
Glass Cutters League of America, Window .....	2	2	2
Glass Workers Union, American Flint .....	28	29	28
Glove Workers Union of America, International .....	3	3	3
Government Employees, American Federation of Government and Civic Employees' Organizing Committee .....	47	56	56
Grain Millers, American Federation of .....	27	e	
Grain Cutters International Association of America, The .....	33	32	31
Hatters, Cap and Millinery Workers .....	32	32	32
Hod Carriers, Building and Common Laborers Union of America, International .....	372	400	403
Horse Shoers of United States and Canada, International Union of Journeymen .....	1	1	1
Hosiery Workers, American Federation of .....	15	10	6
Hotel and Restaurant Employees' and Bartenders' International Union .....	300	300	300
Industrial Workers of America, International Union, Allied .....	..	76	66
Insurance Agents International Union .....	13	12	f
Insurance Workers of America .....	9	9	f
Insurance Workers International Union, AFL-CIO .....	..	..	22
Jewelry Workers Union, International .....	20	22	17
Lathers International Union of Wood, Wire and Metal .....	16	16	16
Laundry and Dry Cleaning International Union .....	..	..	g 15
Leather Goods, Plastics and Novelty Workers Union, International .....	30	29	31
Leather Workers International Union of America .....	2	6	5
Letter Carriers, National Association of .....	100	100	100
Lithographers of America, Amalgamated .....	28	28	h
Locomotive Firemen and Enginemen, Brotherhood of .....	..	37	55
Longshoremen, International Brotherhood of ....	8	15	14
Machinists, International Association of .....	627	708	691
Maintenance of Way Employees, Brotherhood of .....	159	152	131

Organizations	1955	1957	1959
Marble, Slate and Stone Polishers, Rubber and Sawyers, Tile and Marble Setters Helpers and Terrazzo Helpers, International Association of	6	8	8
Marine and Shipbuilding Workers of America, Industrial Union of	27	34	34
Marine Engineers Beneficial Association, National	9	8	8
Maritime Union of America, National	37	39	40
Masters, Mates and Pilots, International Organization of	9	9	9
Master Mechanics and Foremen of Navy Yards and Naval Stations, National Association of	1	1	1
Meat Cutters and Butcher Workmen of North America, Amalgamated	263	312	329
Mechanics Educational Society of America	49	49	41
Metal Workers International Association, Sheet	50	56	75
Molders and Foundry Workers Union of North America, International	67	68	57
Musicians, American Federation of	250	255	255
Newspaper Guild, American	21	22	24
Office Employees International Union	44	45	46
Oil, Chemical and Atomic Workers International Union	160	165	159
Packinghouse Workers of America, United	118	96	87
Painters, Decorators and Paperhangers of America, Brotherhood of	182	185	179
Paper Makers, International Brotherhood of	60	i	
Paper Workers of America, United	40	i	
Papermakers and Paperworkers, United	..	110	116
Pattern Makers League of North America	11	11	11
Plasterers and Cement Masons International Association of the United States and Canada, Operative	60	60	65
Plumbing and Pipe Fitting Industry of the United States and Canada, United Association of Journeymen and Apprentices of the	200	200	200
Polishers, Buffers, Platers and Helpers International Union, Metal	15	16	14
Porters, Brotherhood of Sleeping Car	10	10	10
Post Office Motor Vehicle Employees, National Federation of	..	..	j2
Post Office and Postal Transportation Service Mail Handlers, Watchmen and Messengers, National Association of	1	1	1
Postal Transport Association, National	22	21	19
Potters, International Brotherhood of Operative	23	26	28
Printers, Die Stampers and Engravers Union of North America, International Plate	1	1	1
Printing Pressmen's and Assistants' Union of North America, International	87	92	96
Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood of	154	161	164
Radio and Television Directors Guild	1	1	1
Radio Association, American	2	2	2
Railroad Trainmen, Brotherhood of	..	13	128
Railway Employees of America, Amalgamated Association of Street and Electric	139	129	124
Railway Patrolmen's International Union	3	3	3
Railway Supervisors Association, American	..	1	6
Retail, Wholesale and Department Store Union	97	105	107

Organizations	1955	1957	1959
Roofers, Damp and Waterproof Workers Association, United Slate, Tile and Composition . . . . .	18	20	21
Rubber, Cork, Linoleum and Plastic Workers of America, United . . . . .	163	162	152
Seafarers International Union of North America . . . . .	42	52	58
Shoe Workers of America, United . . . . .	51	51	50
Siderographers, International Association of . . . . .	1	1	1
Signalmen of America, Brotherhood Railroad . . . . .	15	15	14
Special Delivery Messengers, The National Association of . . . . .	2	2	2
Stage Employees and Moving Picture Machine Operators of the United States and Canada, International Alliance of Theatrical . . . . .	46	50	50
State, County and Municipal Employees, American Federation of . . . . .	99	147	173
Steelworkers of America, United . . . . .	980	1,021	892
Stereotypers and Electrotypers Union of North America, International . . . . .	12	12	12
Stone and Allied Products Workers of America, United . . . . .	11	13	12
Stonecutters Association of North America, Journeymen . . . . .	2	2	2
Stove Mounters International Union . . . . .	10	9	8
Switchmen's Union of North America . . . . .	11	12	11
Teachers, American Federation of . . . . .	40	48	50
Telegraphers, The Order of Railroad . . . . .	30	30	30
Telegraphers Union, The Commercial . . . . .	29	29	29
Textile Workers of America, United . . . . .	49	43	37
Textile Workers Union of America . . . . .	203	190	173
Tobacco Workers International Union . . . . .	27	25	25
Train Dispatchers Association, American . . . . .	..	1	4
Transport Service Employees of America, United . . . . .	3	3	3
Transport Workers Union of America . . . . .	80	80	80
Typographical Union, International . . . . .	78	78	79
Upholsterers International Union of North America . . . . .	51	52	50
Utility Workers Union of America . . . . .	53	53	53
Wallpaper Craftsmen and Workers of North America, United . . . . .	1	1	k
Weavers Protective Association, American Wire . . . . .	1	1	(1)
Woodworkers of America, International . . . . .	91	58	52
Yardmasters of America, Railroad . . . . .	4	4	4
<b>Totals . . . . .</b>	<b>12,305</b>	<b>12,751</b>	<b>12,671</b>

NOTE: Affiliated Unions with a paid membership of less than 1,000 were credited with a paid membership of 1,000.

- a. Title changed to Industrial Workers of America, International Union, Allied, May 1, 1956.
- b. The 40,000 figure is based on per capita payments for 18 months divided by the two-year fiscal period. The union paid per capita for the first 6 months of 1959 on an average membership of 67,000.
- c. Reaffiliated with Barbers, Hairdressers and Cosmetologists International Union of America, The Journeymen, July 1, 1956.
- d. Merged with Machinists, International Association of, September 1, 1956.
- e. Merged with State, County and Municipal Employees, American Federation of, August 1, 1956.
- f. Merged into Insurance Workers International Union, AFL-CIO, May 18, 1959.

- g. The 15,000 figure is based on per capita payments for 14 months divided by the two-year fiscal period. The union paid per capita for the first 6 months of 1959 on an average membership of 25,000.
- h. Disaffiliated, August 21, 1958.
- i. Merged into Papermakers and Paperworkers, United, March 6, 1957.
- j. The 2,000 figure is based on per capita payments for 13 months divided by the two-year fiscal period. The union paid per capita for the first 6 months of 1959 on an average membership of 4,000.
- k. Merged with Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood of, April 29, 1958.
- l. Merged with Papermakers and Paperworkers, United, February 16, 1959.

The following unions were expelled from the AFL-CIO at the Second Constitutional Convention in December 1957. Their paid memberships for the years 1955 and 1957 were:

	1955	1957
Bakery and Confectionery Workers International Union of America .....	136	137
Cleaning and Dye House Workers, International Association of .....	17	18
Laundry Workers International Union .....	72	72
Teamsters, Chauffeurs, Warehousemen and Helpers of America, International Brotherhood of .....	1,330	1,338
	<hr/>	<hr/>
	1,555	1,565

## Assessment

The AFL-CIO Executive Council at its February 1959 meeting discussed in detail the several special assessments levied upon and voluntary contributions requested of our affiliated unions.

During 1958, each affiliated organization was requested to make a voluntary contribution of 2 cents per member per year for the years 1958-1959-1960, the proceeds to be given to the Solidarity Fund of the ICFTU. An additional voluntary assessment equal to 5 cents per member was requested to assist the labor movement in the various states concerning the passage of favorable state legislation.

The council, in analyzing the financial needs of the federation, found that funds available from per capita tax were insufficient to finance these special projects.

The council, being fully cognizant of the many problems raised by the multiplicity of the aforementioned fund-raising endeavors, unanimously adopted the establishment of a Special Purposes Fund through the assessment of 1 cent per member per month, beginning Mar. 1, 1959, and continuing until six consecutive such payments have been made.

The Special Purposes Fund will be used to:

- 1—Continue our endeavors to assist state central bodies in the obtaining of favorable state legislation.
- 2—Fulfill our commitment to the ICFTU Solidarity Fund.
- 3—Institute organizing campaigns with respect to agricultural workers throughout the country.
- 4—Engage in other projects of a similar nature that might arise in the near future.

The expenditure of monies from this Special Purposes Fund must have the express approval of the Executive Council.

The council, in adopting this resolution, felt that there would be no need for additional assessments or requests for voluntary contributions. The voluntary contribution of 2 cents per member per year for the years 1959 and 1960 for the Solidarity Fund of the ICFTU was therefore cancelled.

### **Auditing Department**

The AFL-CIO Auditing Department is charged with the responsibility of seeing that directly affiliated local unions maintain their financial records in conformity with the AFL-CIO Rules Governing Directly Affiliated Local Unions and the AFL-CIO Codes of Ethical Practices, and perform annual audits of the accounts of each local union.

The audit of directly affiliated local unions is made in accordance with generally accepted auditing standards and include such tests of the accounts of the local unions and other auditing procedures as we consider necessary in the circumstances.

In order to insure the proper recording and reporting of financial transactions by the local unions and to render them assistance in the reporting requirements of the various government agencies we have furnished them with new standard accounting forms. These forms became the new basic minimum financial records of all directly affiliated local unions as of Jan. 1, 1959.

The cooperation of the officers of directly affiliated local unions has been excellent. Their assistance has enabled us to proceed smoothly with our audit program and the instituting of the new standard accounting forms.

### **Defalcations in Local Unions**

AFL-CIO auditors found that during the period July 1, 1957 through June 30, 1959 fourteen local unions were guilty of financial irregularities and for failure to comply with the AFL-CIO Constitution, the Rules Governing Directly Affiliated Local Unions and the AFL-CIO Codes of Ethical Practices. The officers of these local unions who were found responsible for these irregularities were immediately removed from office. The bonding company was notified of all financial irregularities and in cases where immediate recovery was not obtained from the officers responsible, a claim was filed.

The total amount of defalcations in these 14 local unions amounted to \$17,599.87 ranging from \$70.00 to \$7,318.70. Immediate restitution was received from the guilty officers in the amount of \$5,930.93 representing seven local unions. Restitution was made by the bonding company on the remaining seven local unions.

### **Trusteeship of Local Unions**

On Feb. 18, 1959, Directly Affiliated Local Union No. 22530, Elizabeth, N. J., was placed in trusteeship, and all officers were

suspended from office. A hearing was held on this case on Apr. 7, 1959 and as a result of the findings, President Meany ordered the president of this local union permanently removed from office and expelled from membership. After an election of new officers, the trusteeship was removed.

United Match Workers Federal Labor Union No. 18928, Barberton, O., was placed in trusteeship on June 9, 1959 by President Meany to safeguard the funds of this local union.

The trusteeship which was placed on the Waste Material Handlers Local Union No. 20467, Chicago, Ill., on Dec. 27, 1956 and reported on at the 1957 AFL-CIO Convention is still in effect.

### ***Directly Affiliated Local Unions***

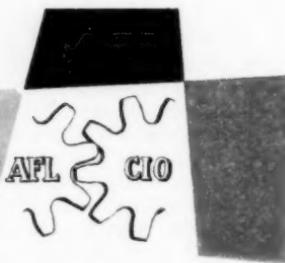
The AFL-CIO Constitution and the Rules Governing Directly Affiliated Local Unions provides that the integrity of each Directly Affiliated Local Union shall be maintained and preserved.

They further provide that Directly Affiliated Local Unions can voluntarily agree to transfer their affiliation to a national or international union. Such a transfer, however, should be made only where there is some definite similarity as to the type of workers organized by the international union concerned, and in accordance with established policy and procedures.

As of Sept. 30, 1957 there were 608 Directly Affiliated Local Unions with a membership of 132,000. Since then 71 local unions with a membership of 18,500 have affiliated with international unions. The transfer of these Directly Affiliated Local Unions was effectuated pursuant to existing procedures. The desire of the local union membership for active participation in the affairs of a national union having activities and industry jurisdiction similar to theirs was responsible for such transfers.

During this period 30 Directly Affiliated Local Unions with a membership of 700 have disbanded.

On June 30, 1959, there were 507 Directly Affiliated Local Unions with a membership of 108,000.



## Structure and Leadership

### New Charters Issued

#### National Federation of Post Office Motor Vehicle Employees

Application was received from the National Federation of Post Office Motor Vehicle Employees for affiliation to the AFL-CIO. This union has been in existence since 1925 and its membership is composed entirely of workers in federal service.

After consultation and agreement with the AFL-CIO Unions who might have an interest in the application, the Executive Council approved the issuance of a certificate of affiliation and charter was granted to the National Federation of Post Office Motor Vehicle Employees on June 10, 1958.

#### American Bakery and Confectionery Workers International Union

On Dec. 12, 1957, by action of the Second Constitutional Convention of the AFL-CIO, the charter of the Bakery and Confectionery Workers International Union of America was revoked because of the union's failure to comply with the directives of the AFL-CIO Executive Council to eliminate corrupt influences and its failure to correct the abuses set forth in the Ethical Practices Committee's report to the council.

The council immediately issued a charter to the American Bakery and Confectionery Workers International Union. The new union received the jurisdictional grants of the former union in the industry.

#### Laundry and Dry Cleaning International Union

On Dec. 12, 1957, by action of the Second Constitutional Convention of the AFL-CIO, the charters for the Laundry Workers International Union and Cleaning and Dye House Workers were revoked because of their failure to comply with the directives of the AFL-CIO Executive Council to eliminate corrupt influences throughout the unions and their failure to correct the abuses set forth in the Ethical Practices Committee's report to the council.

As a result of this expulsion many local unions of the expelled organizations expressed the desire to maintain affiliation to the AFL-CIO in conformity to our standards, and, after proper consideration of each application, received directly affiliated local union charters.

At its meeting in February 1958, President Meany was empowered by the Executive Council to issue an international union charter, when he deemed it advisable, to the federal labor unions in the laundry and dry cleaning industry. Peter M. McGavin, assistant to President Meany, was assigned the task of working with and assisting these federal labor unions to formulate and establish their new international union.

On May 12, 13 and 14, 1958, acting upon a convention call, 115 duly elected representatives of 41 federal labor unions met in Washington, D. C., to found the new international union, and on May 12, 1958, an AFL-CIO charter was issued to the AFL-CIO Laundry and Dry Cleaning International Union. In the issuance of this charter the new international union received the jurisdiction grants of the two former unions in the industry. The delegates in attendance elected Winfield Chasmar, president and Sam Begler, secretary-treasurer, along with an executive board of nine vice presidents and three trustees.

Today, the new union has an approximate membership of 26,000 members. The officers and members are zealously working to see that the new organization is taking its rightful place as a bona fide trade union in accordance with the principles and traditions of the AFL-CIO.

### ***Mergers of International Unions***

#### **International Brotherhood of Pulp, Sulphite and Paper Mill Workers of the United States and Canada and United Wall Paper Craftsmen and Workers of North America**

The Executive Council at its August 1958 meeting was informed that a special convention of the United Wall Paper Craftsmen and Workers of North America had been held on Apr. 28-30, 1958, in New York City. The convention had been called following a unanimous vote of the union's executive board and a recommendation by the executive committee to merge with the International Brotherhood of Pulp, Sulphite and Paper Mill Workers of the United States and Canada.

The delegates voted unanimously to approve the merger.

The merger was approved by the Executive Council with the understanding that the jurisdictional grant of the United Wall Paper Craftsmen and Workers of North America is now a part of the jurisdictional grant of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers of the United States and Canada.



**First white collar unions to merge since AFL-CIO was formed joined to create new Insurance Workers International Union.**

**United Papermakers and Paperworkers and American Wire Weavers Protective Association**

At its meeting in February 1959, the Executive Council received for its approval an agreement dated Feb. 9, 1959 and signed by the members of the Executive Board of the American Wire Weavers Protective Association and the officers of the United Papermakers and Paperworkers. This agreement set forth the terms for merger of these two organizations which was to become effective Mar. 31, 1959.

The council approved the merger with the understanding that the jurisdiction formerly held by the American Wire Weavers Protective Association is now a part of the jurisdiction of the United Papermakers and Paperworkers.

**Insurance Agents International Union and Insurance Workers of America**

At its meeting in May 1959, the Executive Council had for consideration a charter application for the Insurance Workers International Union, AFL-CIO. This application represented the action of constitutional committees from each international union to bring about a merger of the two organizations in the insurance workers' field. Duly called conventions of the two

organizations were held May 25-26, 1959, which unanimously approved the merger.

The council therefore approved the application and a charter was issued to the Insurance Workers International Union, AFL-CIO, with the following jurisdiction: any insurance worker shall be eligible for membership in the international union—except a person in a supervisory position or who is aligned with or who exercises functions of management.

## ***Disaffiliation***

### **Amalgamated Lithographers of America**

President George A. Canary, Secretary-Treasurer Donald W. Stone, and members of the Executive Board of the Amalgamated Lithographers of America, appeared before the Executive Council at its August 1958 meeting to reply to charges that the union refused to comply with decisions of the subcommittee of the Executive Council and recommendations made by Impartial Umpire David L. Cole involving raiding activities against affiliated organizations.

At the conclusion of their appearance before the council, the officers of the Amalgamated Lithographers of America presented a resolution and letter to the council advising of their immediate disaffiliation from the AFL-CIO. By convention action and referendum vote the union's executive board had been empowered to take whatever action it felt best on remaining in affiliation to the AFL-CIO.

It is with sincere regret that we report on the inability of all parties concerned to find ways and means of accommodating the inter-union problems in which the Lithographers were involved. It is hoped that in the not too distant future the problems may be resolved in an amicable fashion and the members of the Amalgamated Lithographers of America will once again be in affiliation to the AFL-CIO.

## ***Amendment of Jurisdictional Grants***

### **International Plate Printers, Die Stampers and Engravers Union of North America**

The Executive Council at its May 1959 meeting had for consideration an application from the officers of the International Plate Printers, Die Stampers and Engravers Union of North America for an amendment to its jurisdictional grant. The request was based upon the fact that a majority of the union's membership is employed in the various bank note companies in the United States and Canada. The union officers informed the Executive Council that with automation and development of new techniques by the companies, two new processes will more than likely be used in the future, namely, the electrolytic method of making plates and the photo etch.

After consultation with the organizations in interest, the



**Members of Executive Committee meet at White House with Pres. Eisenhower to discuss programs for national prosperity.**

council has approved the request for the amendment of this union's jurisdiction, with the specific understanding that jurisdiction over the employees using these new processes is to be confined to members of the International Plate Printers, Die Stampers and Engravers Union of North America employed in the various bank note companies.

### ***Changes in Officers***

#### **Resignation of Vice President James C. Petrillo**

The Executive Council at its August 1958 meeting considered a letter from Vice President James C. Petrillo in which he advised, because of his desire to retire, he was submitting his resignation as a member of the council.

Vice President Petrillo, who had been president of the American Federation of Musicians until his retirement from that office in 1958, was elected to the Executive Council at its meeting in January 1951.

#### **Election of Vice President Lawrence M. Raftery**

In conformity with the authority conferred upon the Executive Council, Article V, Section 6, of the AFL-CIO Constitution, the council at its meeting on Aug. 19, 1958 elected Lawrence M. Raftery, president of the Brotherhood of Painters, Decorators and Paperhangers of America, to fill the vacancy existing on the council by result of the resignation of Vice President James C. Petrillo.

### ***Executive Committee***

The Executive Committee, pursuant to the Constitution of the AFL-CIO, consists of the following members of the Executive Council, together with President Meany and Secretary-

Treasurer Schnitzler; Vice Presidents Walter P. Reuther, George M. Harrison, James B. Carey, Harry C. Bates, David J. McDonald, David Dubinsky.

In accordance with its constitutional mandate, the committee meets to advise and consult with the executive officers on policy matters. It met on the following dates: Jan. 3, Feb. 25, Mar. 24, Apr. 24, May 27, Aug. 8, Oct. 24, 1958; Feb. 18, Feb. 19, Aug. 3, Aug. 17, 1959.

### **General Board**

The General Board, under the provisions of the AFL-CIO Constitution, consists of all members of the Executive Council, and the president or principal officer of all national and international unions and each trade and industrial department. The General Board, under the Constitution, meets at least once a year at the call of the President, to decide "all policy questions" referred to it by the executive officers or the Executive Council.

The 1958 meeting of the General Board was held at the Willard Hotel in Washington, D. C., Apr. 28, 1958. The principal officers of 70 national and international unions and of five trade and industrial departments attended the meeting. The General Board meeting was called for the specific purpose of discussing labor legislation. At this meeting resolutions were adopted on Unemployment Compensation Legislation, the Economy of the Nation and on the question of Labor Reform Practices.

It was the decision that all future General Board meetings will be executive in character, with only the designated representative of each affiliate permitted to attend and no substitute or alternate member allowed.

The 1959 meeting of the General Board, it is anticipated, will take place during September.

### **Standing Committees**

Following is a list of members of the Standing Committees of the AFL-CIO as of Sept. 1, 1959, who in accordance with Article 13 of the AFL-CIO Constitution, are appointed by and under the general direction of the President:

#### **Civil Rights**

Chairman: Charles S. Zimmerman, International Ladies' Garment Workers Union.

Secretary: Boris Shishkin, director, Department of Civil Rights.  
Ralph Helstein, United Packinghouse Workers of America;  
Emil Mazey, United Automobile, Aircraft and Agricultural

Implement Workers of America;

David J. McDonald, United Steelworkers of America;

L. S. Buckmaster, United Rubber, Cork, Linoleum and Plastic  
Workers of America;

Milton P. Webster, Brotherhood of Sleeping Car Porters;

George M. Harrison, Brotherhood of Railway Clerks;

William L. McFetridge, Building Service Employees International Union;  
Richard F. Walsh, International Stage Employees and Moving Picture Machine Operators of the U.S. and Canada;  
A. J. Hayes, International Association of Machinists;  
Mrs. Bessie Hillman, Amalgamated Clothing Workers of America;  
Joseph D. Keenan, International Brotherhood of Electrical Workers.

#### **Community Services Committee**

Chairman: Joseph A. Beirne, Communications Workers of America.  
Secretary: Leo Perlis, director, Community Services Activities.  
Al Hartnett, International Union of Electrical, Radio & Machine Workers;  
Patrick Gorman, Amalgamated Meat Cutters and Butcher Workmen of North America;  
Emil Mazey, United Automobile, Aircraft and Agricultural Implement Workers of America;  
A. Philip Randolph, Brotherhood of Sleeping Car Porters;  
John Brophy, Industrial Union Department, AFL-CIO;  
John J. Grogan, Industrial Union of Marine and Shipbuilding Workers of America;  
Desmond Walker, United Rubber, Cork, Linoleum and Plastic Workers of America;  
Sal B. Hoffmann, Upholsterers' International Union of North America;  
W. C. Birthright, Journeymen Barbers, Hairdressers and Cosmetologists' International Union of America;  
Lee W. Minton, Glass Bottle Blowers' Association of the United States and Canada;  
James Robb, United Steelworkers of America;  
William D. Buck, International Association of Fire Fighters;  
Norman Zukowsky, International Leather Goods, Plastics and Novelty Workers Union;  
Joseph D. Keenan, International Brotherhood of Electrical Workers.

#### **Economic Policy**

Chairman: Walter P. Reuther, United Automobile, Aircraft and Agricultural Implement Workers of America.  
Secretary: Stanley H. Ruttenberg, director, Department of Research.  
David Dubinsky, International Ladies' Garment Workers Union;  
Emil Rieve, Textile Workers Union of America;  
A. J. Hayes, International Association of Machinists;  
Joseph D. Keenan, International Brotherhood of Electrical Workers;

O. A. Knight, Oil, Chemical and Atomic Workers International Union;  
George M. Harrison, Brotherhood of Railway Clerks;  
James B. Carey, International Union of Electrical, Radio and Machine Workers;  
Joseph M. Rourke, Connecticut State Labor Council, AFL-CIO;  
James Suffridge, Retail Clerks International Association;  
David J. McDonald, United Steelworkers of America;  
Paul Phillips, United Papermakers and Paperworkers;  
Peter T. Schoemann, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

#### **Education**

Chairman: Peter T. Schoemann, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada;  
Secretary: John Connors, director, Department of Education.  
O. A. Knight, Oil, Chemical and Atomic Workers International Union;  
Joseph Glazer, United Rubber, Cork, Linoleum and Plastic Workers of America;  
Brendan Sexton, United Automobile, Aircraft and Agricultural Implement Workers of America;  
Emory Bacon, United Steelworkers of America;  
Jules Pagano, Communications Workers of America;  
Fannia Cohn, International Ladies Garment Workers Union;  
James Brownlow, president, Metal Trades Department, AFL-CIO;  
Joseph D. Keenan, International Brotherhood of Electrical Workers;  
Carl J. Megel, American Federation of Teachers;  
Paul Phillips, United Papermakers and Paperworkers;  
I. W. Abel, United Steelworkers of America;  
Pat Greathouse, United Automobile, Aircraft and Agricultural Implement Workers of America;  
Emil Starr, Amalgamated Clothing Workers of America;  
Felix Jones, United Cement, Lime and Gypsum Workers International Union;  
Otto Pragan, Chemical Workers International Union;  
Helmuth Kern, Amalgamated Meat Cutters and Butcher Workmen of North America;  
Frank Grasso, United Papermakers and Paperworkers;  
John Brumm, International Association of Machinists;  
Selma Borchardt, American Federation of Teachers.

#### **Ethical Practices**

Chairman: A. J. Hayes, International Association of Machinists.  
Counsel: Arthur J. Goldberg, Special Counsel, AFL-CIO.  
George M. Harrison, Brotherhood of Railway Clerks;  
Joseph Curran, National Maritime Union of America;

David Dubinsky, International Ladies' Garment Workers Union;  
Jacob S. Potofsky, Amalgamated Clothing Workers of America.

#### Housing

Chairman: Harry C. Bates, Bricklayers, Masons and Plasterers International Union of America.

Secretary: Boris Shishkin.

William L. McFetridge, Building Service Employees International Union;

Richard J. Gray, Building and Construction Trades Department, AFL-CIO;

John W. Edelman, Textile Workers Union of America;

Joseph D. Keenan, International Brotherhood of Electrical Workers;

Ben Fischer, United Steelworkers of America;

Charles J. MacGowan, International Brotherhood of Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers;

M. A. Hutcheson, United Brotherhood of Carpenters and Joiners of America;

A. F. Hartung, International Woodworkers of America;

John Lyons, International Association of Bridge and Structural Iron Workers;

Peter Fosco, International Hod Carriers, Building and Common Laborers Union of America;

Morris Pizer, United Furniture Workers of America;

T. M. McCormick, Oil, Chemical and Atomic Workers International Union;

John L. Crull, Communications Workers of America.

#### International Affairs

Chairman: George M. Harrison, Brotherhood of Railway Clerks.

Secretary: Michael Ross, director, Department of International Affairs.

Walter P. Reuther, United Automobile, Aircraft and Agricultural Implement Workers of America;

David Dubinsky, International Ladies' Garment Workers Union;

O. A. Knight, Oil, Chemical and Atomic Workers International Union;

David J. McDonald, United Steelworkers of America;

A. Philip Randolph, Brotherhood of Sleeping Car Porters;

Joseph D. Keenan, International Brotherhood of Electrical Workers;

James B. Carey, International Union of Electrical, Radio and Machine Workers;

A. J. Hayes, International Association of Machinists;

President George Meany;

Secretary-Treasurer William F. Schnitzler.

**Inter-American Affairs (Subcommittee of International Affairs Committee)**

Chairman: O. A. Knight, Oil, Chemical and Atomic Workers International Union;  
Secretary: Serafino Romualdi, AFL-CIO Inter-American Representative;  
William C. Doherty, National Association of Letter Carriers;  
David J. McDonald, United Steelworkers of America;  
David Dubinsky, International Ladies' Garment Workers Union;  
Emil Rieve, Textile Workers Union of America;  
Joseph A. Beirne, Communications Workers of America;  
James A. Suffridge, Retail Clerks International Association.

**Legislative**

Chairman: George Meany, President, AFL-CIO.  
Secretary: Andrew J. Biemiller, director, Department of Legislation.  
Members: AFL-CIO Executive Council.

**Political Education**

Chairman: George Meany, President, AFL-CIO.  
Secretary: James L. McDevitt, director, Committee on Political Education.  
Members: AFL-CIO Executive Council.

**Public Relations**

Chairman: W. C. Birthright, The Journeymen Barbers, Hairdressers and Cosmetologists' International Union of America.  
Secretary: Albert J. Zack, director, Department of Public Relations.  
George M. Harrison, Brotherhood of Railway Clerks;  
Walter P. Reuther, United Automobile, Aircraft and Agricultural Implement Workers of America;  
James B. Carey, International Union of Electrical, Radio and Machine Workers;  
Joseph A. Beirne, Communications Workers of America;  
David J. McDonald, United Steelworkers of America;  
William C. Doherty, National Association of Letter Carriers;  
Lee Minton, Glass Bottle Blowers' Association of the United States and Canada.

**Research**

Chairman: William F. Schnitzler, Secretary-Treasurer, AFL-CIO.  
Secretary: Stanley H. Ruttenberg.  
David Lasser, International Union of Electrical, Radio and Machine Workers;

Boris Shishkin, Department of Civil Rights, AFL-CIO;  
Sol Barkin, Textile Workers Union of America;  
Nat Weinberg, United Automobile, Aircraft and Agricultural  
Implement Workers of America;  
James Noe, International Brotherhood of Electrical Workers;  
Otis Brubaker, United Steelworkers of America;  
George Brooks, International Pulp, Sulphite and Paper Mill  
Workers of the United States and Canada;  
Carl Huhndorff, International Association of Machinists;  
Lazare Teper, International Ladies' Garment Workers Union.

#### Safety and Occupational Health

Chairman: Richard F. Walsh, International Stage Employees  
and Moving Picture Machine Operators of the United States  
and Canada.  
Secretary: George Brown, assistant to President Meany.  
Elwood Swisher, Oil, Chemical and Atomic Workers Interna-  
tional Union;  
Stephen Federoff, National Maritime Union of America;  
Joseph Curran, National Maritime Union of America;  
Frank Burke, United Steelworkers of America;  
A. L. Spradling, Amalgamated Association of Street and  
Electric Railway Employees of America;  
William A. Calvin, International Brotherhood of Boiler Mak-  
ers, Iron Ship Builders, Blacksmiths, Forgers and  
Helpers;  
P. L. Siemiller, International Association of Machinists;  
Harry See, Brotherhood of Railroad Trainmen.

#### Social Security

Chairman: M. A. Hutcheson, United Brotherhood of Carpenters  
and Joiners of America.  
Secretary: Nelson A. Cruikshank, director, Department of So-  
cial Security.  
Leonard Woodcock, United Automobile, Aircraft and Agri-  
cultural Implement Workers of America;  
Harry Sayre, United Papermakers and Paperworkers;  
Joseph Childs, United Rubber, Cork, Linoleum and Plastic  
Workers of America;  
William Pollock, Textile Workers Union of America;  
Lee Minton, Glass Bottle Blowers' Association of the U.S.  
and Canada;  
George Russ, Insurance Workers International Union;  
George Lynch, Pattern Makers League of North America;  
James Brownlow, Metal Trades Department, AFL-CIO;  
Gordon Chapman, American Federation of State, County and  
Municipal Employees;  
Eric Peterson, International Association of Machinists;  
Kenneth J. Kelley, Massachusetts State Labor Council, AFL-  
CIO;  
Harry Block, International Union of Electrical, Radio and  
Machine Workers;



**President Meany presents charter to merged New York State AFL-CIO representing two million workers in Empire State.**

Anthony Weinlein, Building Service Employees International Union;

Charles Zimmerman, International Ladies Garment Workers Union;

Howard Hague, United Steelworkers of America;

Paul Hall, Seafarers' International Union of North America.

#### **Veterans Affairs**

Chairman: Lee W. Minton, Glass Bottle Blowers' Association of United States and Canada.

Secretary: Peter Henle, assistant director, Department of Research.

Ed S. Miller, Hotel and Restaurant Employees' and Bartenders' International Union;

L. S. Buckmaster, United Rubber, Cork, Linoleum and Plastic Workers of America;

M. A. Hutcheson, United Brotherhood of Carpenters and Joiners of America;

Norman Matthews, United Automobile, Aircraft and Agricultural Implement Workers of America;

William L. McFetridge, Building Service Employees International Union;

Marty Hughes, Communications Workers of America; C. J. Haggerty, California Labor Federation, AFL-CIO; Fred Fulford, United Furniture Workers of America.

## ***State and Local Mergers***

Since the Second Constitutional Convention of the AFL-CIO in December 1957, the following states have effected a merger:

California	Michigan
Florida	New York
Idaho	North Dakota
Illinois	Ohio
Indiana	Oklahoma
Kentucky	Rhode Island
Massachusetts	Wisconsin

As this report went to press two states have not merged—Pennsylvania and New Jersey.

On Pennsylvania, merger committees representing the Pennsylvania State Federation of Labor and the Pennsylvania State Industrial Union Council have approved a merger constitution and have agreed upon the question of officers of the new merged organization.

The constitution and the agreement to merge have been submitted to the respective executive boards for approval. Final approval will be made by the delegates at a merger convention; however, at this time no date has been set for the merger convention.

### ***Merger of Local Central Bodies***

Since the Second Constitutional Convention of the AFL-CIO, many local central body mergers have been effected.

Thirty-eight states have completed merger on a local basis. At the present time, there are only 50 actual mergers to be consummated which include a total of 107 local central bodies.

In the majority of the 50 cases where merger is still to be completed, meetings are being held and the outlook for the future is most encouraging.

### ***Selection of Fraternal Delegates***

The Executive Council was empowered by the 1957 Convention to select representatives to serve as fraternal delegates for the AFL-CIO to the British Trades Union Congress and the Canadian Labour Congress.

Accordingly, upon receipt of an official invitation from the British Trades Union Congress to the 1958 Congress at Bournemouth, England, Sept. 1-5, 1958, the Executive Council selected Vice Presidents George M. Harrison and Jacob S. Potofsky to represent the AFL-CIO as fraternal delegates to the British Trades Union Congress.

In 1959, upon receipt of an official invitation from the British Trades Union Congress, the Executive Council selected Vice Presidents Joseph A. Beirne and William C. Doherty to represent the AFL-CIO as fraternal delegates to the British Trades Union Congress in Blackpool, England, Sept. 7-11, 1959.

Upon receipt of an official invitation from the Canadian Labour Congress, the Executive Council selected Vice President Joseph A. Beirne as fraternal delegate to represent the AFL-CIO to the Canadian Labour Congress in Winnipeg, Canada, Apr. 21, 1958.

## Ethical Practices

One of the underlying "objectives and principles" of the AFL-CIO is stated in its Constitution to be "to protect the labor movement from any and all corrupt influences and from the undermining efforts of Communist agencies and all others who are opposed to the basic principles of our democracy."

Besides stating this purpose, the Constitution has also provided machinery for implementing it. In Article VIII, Section 7, the Executive Council is specifically empowered:

"To conduct an investigation, directly or through an appropriate standing or special committee appointed by the President, of any situation in which there is reason to believe that any affiliate is dominated, controlled, or substantially influenced in the conduct of its affairs by any corrupt influence, or that the policies or activities of any affiliate are consistently directed toward the advocacy, support, advancement or achievement of the program or purposes of the Communist Party, any fascist organization or other totalitarian movement."

The Constitution also gives the council power to enforce the basic ethical principles to which the federation is committed:

"Upon the completion of such an investigation, including a hearing if requested, the Executive Council shall have the authority to make recommendations or give directions to the affiliate involved and shall have the further authority, upon a two-thirds vote, to suspend any affiliate found guilty of a violation of this section. Any action of the Executive Council under this section may be appealed to the convention, provided, however, that such action shall be effective when taken and shall remain in full force and effect pending any appeal."

A large part of the council's responsibility in this area has been delegated to the Ethical Practices Committee. This delegation is provided for in Article XIII, Section 1 (d) :

"The Committee on Ethical Practices shall be vested with the duty and responsibility to assist the Executive Council in carrying out the constitutional determination of the Federation to keep the Federation free from any taint of corruption or communism, in accordance with the provisions of this Constitution . . ."

## **Committee Procedures**

The procedures of the Ethical Practices Committee were established by an Executive Council resolution, adopted in June 1956. That resolution provided:

"1.—That the Committee on Ethical Practices is vested with the authority of the Council to conduct formal investigations, including a hearing if requested, on behalf of the Council, into any situation in which there is reason to believe an affiliate is dominated, controlled or substantially influenced in the conduct of its affairs by any corrupt influence and in which such formal investigation is requested by the President or any member of the Executive Council. The Committee shall report to the Executive Council the results of any such investigation with such recommendations to the Council as the Committee deems appropriate.

"2.—The Committee is authorized, upon its own motion or upon the request of the President, to make such preliminary inquiries as it deems appropriate in order to ascertain whether any situations exist which require formal investigation. The Committee will report to the Executive Council as to any situations in which it believes that formal investigation is required or desirable and shall undertake such formal investigation as provided in paragraph 1 of this resolution.

"3.—The Committee is directed to develop a set of principles and guides for adoption by the AFL-CIO in order to implement the constitutional determination that the AFL-CIO shall be and remain free from all corrupt influences. Upon the development of such recommended guides and principles, they shall be submitted by the Committee to the Executive Council for appropriate action."

## **Codes of Ethical Practices**

In accordance with this resolution, the committee has promulgated six Codes of Ethical Practices, which were adopted by the Executive Council and affirmed by the Second Constitutional Convention.

These set forth the ethical principles applicable to the following subjects: the issuance of local union charters, the administration of health and welfare funds, the problem of racketeers, crooks, Communists and Fascists in the labor movement, the business interests or investments of union officials, the financial practices and proprietary activities of unions, and union democratic processes.

In addition, the committee has since its inception been instrumental in enforcing these codes, as well as the general unwritten ethical principles to which the federation is committed. In its report to the 1957 convention, the Executive Council reported that the committee had completed investigations of six international unions. Each of these unions was given a full opportunity

to be heard, and each union was given an opportunity to eliminate the ethical practices violations which were found to exist.

Three of the international unions—the Laundry Workers International Union, the International Brotherhood of Teamsters, and the Bakery and Confectionery Workers—refused to come into compliance and were ultimately expelled from the federation.

One union—the Allied Industrial Workers of America—complied fully and is now an affiliate in good standing of the AFL-CIO.

Two unions—the Distillery, Rectifying and Wine Workers International Union and the United Textile Workers—are still in the process of coming into compliance, and are under AFL-CIO monitorship. A summary of the progress which these unions have made is contained elsewhere in this report.

### ***Committee's Work Widely Reported***

The work of the Ethical Practices Committee is by now well known, not only within the labor movement, but throughout the country. The name "AFL-CIO" has become the symbol of clean and democratic trade unionism, and the Ethical Practices Codes have become the almost universally accepted standards of trade union ethics.

The general public has become increasingly aware of, and interested in, the work of the committee. Since the last convention, the chairman of the committee has made 10 major addresses



**AFL-CIO Ethical Practices Committee receives Social Justice Award of Religion and Labor Foundation.**

on the functions and the work of the committee, appearing before labor groups, university students and faculty members, government officials and employer representatives.

One of these speeches was reprinted in pamphlet form and has become a standard piece of reference material in libraries. Some 70,000 copies were distributed in the 14 months following the appearance of the speech in pamphlet form. In addition, the committee has distributed several thousand copies of the printed Codes of Ethical Practices. Most of the distribution of both publications has been in response to inquiries concerning the codes and the work of the committee.

The codes and the Ethical Practices Committee have been the subject of favorable editorial comment in many newspapers and magazines. In the fall of 1958, the committee received the Social Justice Award of the Religion and Labor Foundation. The event was widely publicized by the foundation and the printed proceedings of the award dinner and ceremonies have been widely distributed by both the foundation and the federation.

Since the last convention, the Ethical Practices Committee has continued to enforce the codes and to preserve the good name of the AFL-CIO. At the request of the council, the Ethical Practices Committee has undertaken and completed investigations of two affiliated unions, the International Union of Operating Engineers and the International Jewelry Workers Union. These investigations, which are described below, resulted in affirmative measures designed to bring these unions into compliance with the Codes of Ethical Practices.

#### **International Union of Operating Engineers**

At the direction of the Executive Council, the committee conducted an informal investigation of this international union in the spring and summer of 1958. Upon concluding that investigation, the committee submitted to the council on Aug. 25, 1958, a report of its findings, along with its recommendation that certain affirmative steps be taken by the union to eliminate the abuses which the committee had discovered. That report concluded as follows:

"The Committee on Ethical Practices . . . recommends to the Executive Council that if the International Union of Operating Engineers agrees to comply with the recommendations made above and to report periodically to each meeting of the Executive Council, until full compliance is obtained, on the progress made to comply with these recommendations and with the standards of the AFL-CIO Codes of Ethical Practices, that this investigation be held in abeyance with jurisdiction retained, pending such reports and compliance. If, however, the International Union of Operating Engineers does not agree to fully comply with the recommendations and the AFL-CIO Codes of Ethical Practices, or fails to fully comply, it is recommended that the committee be directed to conduct a formal hearing into the affairs

of this union in accordance with the Executive Council resolution on procedures."

The Executive Council approved the committee's report, and adopted the course of action which the committee proposed.

The union agreed to abide by the committee's recommendations, and it has periodically reported to President Meany the progress which it has made. President Meany, in turn, has kept the Executive Council informed of these developments.

#### **International Jewelry Workers Union**

The activities of the committee with respect to this union began on Feb. 5, 1958, when President Meany asked the committee to ascertain whether an investigation of the International Jewelry Workers Union was required. After examining material supplied by President Meany's office, the committee reported to the Executive Council, in an interim report, dated Feb. 7, 1958, as follows:

"The Ethical Practices Committee acting pursuant to and in accordance with the resolution of the AFL-CIO Executive Council governing procedures has made a preliminary inquiry to determine whether a situation exists which requires investigation of the Jewelry Workers International Union under Article VIII, Section 7 of the AFL-CIO Constitution.

"Based upon this preliminary inquiry, the Ethical Practices Committee now reports to the Executive Council that the committee unanimously believes that investigation of the Jewelry Workers International Union under Article VIII, Section 7 of the AFL-CIO Constitution is required and, with the approval of the Executive Council, will undertake such investigation in accordance with the AFL-CIO Constitution and the resolution of the AFL-CIO Executive Council governing procedures.

"The committee will report to the Executive Council the results of such investigation."

This report was approved, and the committee was authorized to proceed in accordance therewith.

The committee then instructed its staff to conduct a preliminary investigation. A staff report was submitted to the committee on Apr. 14, 1958, and the committee, in accordance with its usual practice, forwarded copies of the report to the union for its comment and reply. In due course a reply was received from the union, and an informal hearing was held with the officers of the union on July 30, 1958. On the basis of this meeting and the staff report, the committee decided that a formal investigation was necessary.

The committee therefore recommended to the Executive Council, in a second interim report dated Aug. 20, 1958, that a full investigation be authorized. The council directed the committee to proceed with such an investigation.

In the meantime, there had been further public allegations concerning the Jewelry Workers Union. The committee felt

that further staff investigations were necessary, and in November 1958, a supplemental staff report was completed. This was also forwarded to the officers of the union for comment and reply. In due course replies were received.

Formal hearings were held by the committee on Nov. 21 and Dec. 5, 1958. Joseph Morris, president of the IJWU, and Hyman J. Powell, secretary-treasurer of the union, were present, each represented by an attorney. Several other officials of the union also attended.

With the consent of the Jewelry Workers Union, the committee had requested Main and Company, the firm of certified public accountants representing the AFL-CIO, to conduct an examination of the union's books. The report of that examination was submitted at the hearing. It revealed numerous financial and accounting practices that violated the letter and spirit of the Ethical Practices Codes, as well as the union's own constitution.

The committee also heard the testimony and comments of the officers of the union, and other witnesses.

#### **Committee's Findings**

On the basis of the oral testimony, written statements, and other reports submitted to it, including the Main and Company report, the committee found that the International Jewelry Workers Union had violated the ethical standards contained in the Ethical Practices Codes of the AFL-CIO. It concluded that this international union had been under the influence of corrupt elements, of which it was unwilling or unable to rid itself.

Its principal officers not only failed to safeguard its treasury by the use of adequate records and accounts, but in some instances seemed themselves to have been guilty of using or permitting the use of union money in unauthorized ways. Corrupt elements had gained control of some of its locals, and there was substantial evidence that some of its collective bargaining agreements have been collusive arrangements, designed to exploit instead of to protect the membership. There was considerable evidence that the affairs of some of the locals, as well as the international, had not been conducted according to the democratic procedures prescribed by the Ethical Practices Codes.

In addition, the committee concluded from the evidence available at the time of the conclusion of the formal hearings that the union had become thoroughly demoralized, that it was on the verge of moral and financial bankruptcy, that the executive board was unable to function effectively because of lack of proper leadership.

As a result, there were signs that the union was rapidly disintegrating. Two locals, with one-third of the membership, had already been permitted to disaffiliate. There were indications that other locals were negotiating with other unions, including

the International Longshoremen's Association and the Teamsters, with a view to leaving the IJWU and affiliating with those other unions.

#### **Trustee Recommended**

In the past, the committee's customary practice had been to submit a full report of its investigation and findings to the Executive Council, for consideration and action. In the case of the International Jewelry Workers Union, however, the committee felt that some immediate interim action was necessary to preserve the existence and to re-establish the integrity of the union.

It therefore recommended to President Meany that he invite the general executive board of the IJWU to Washington, and discuss with its members the necessity of appointing a trustee to administer the affairs of the union in accordance with the constitutions of the IJWU and the AFL-CIO to conserve the interests of the international union and its membership.

President Meany did meet with the executive board of the Jewelry Workers Union on Dec. 30, and that body adopted the following resolution:

"WHEREAS the General Executive Board of the International Jewelry Workers Union meeting in Washington, D. C., at the headquarters of the AFL-CIO deems it desirable that a Trustee be appointed by President George Meany of the AFL-CIO to conserve the interests of the International Union and its membership, now therefore

"Be it resolved by this resolution that

"The General Executive Board hereby requests President George Meany to appoint his personal representative as Trustee of the International Union and its membership and to administer its affairs and finances in accordance with the Constitution of the International Jewelry Workers Union and the Constitution of the AFL-CIO. The Trustee so designated by President George Meany shall have the following powers:

"1—All those powers vested by the Constitution of the International Jewelry Workers Union in the General President and General Secretary-Treasurer of the International Union.

"2—All those powers necessary to carry out the purpose of this resolution.

"3—All those powers necessary to carry out the Constitutional obligations of the International Union to the AFL-CIO.

"To effectuate this Resolution, the General President and General Secretary-Treasurer of the International Union hereby tender their written resignations to President George Meany and are placed in the status of employees of the International Union under the direction of the Trustee pending further action by the International Union and the AFL-CIO under appropriate Constitutional provisions.

"The Trustees designated by President Meany shall continue in power until the end of the next Constitutional Convention of

the International Union held under its Constitution, unless sooner terminated by President Meany.

"The Executive Board of the International Union will upon request of the Trustee adopt such other and further resolutions as may be necessary to effectuate the powers here conferred upon the Trustee."

Pursuant to this resolution, the signed resignations of President Morris and Secretary-Treasurer Powell were submitted to President Meany, and he appointed as Trustee Charles Hasenmeyer, assistant regional director of Region II, AFL-CIO.

#### Council Adopts Report

A full report was submitted by the committee to the Executive Council on Feb. 16, 1959. After summarizing the steps which had been taken, the report contained the following recommendations:

"The Committee recommends that President Meany accept the resignations of President Morris and Secretary-Treasurer Powell, and that the Executive Council approve the consent trusteeship arrangement entered into between the IJWU and President Meany, and the appointment of the Trustee made in accordance therewith.

"It also recommends that the employment of the former president and secretary-treasurer, who by the terms of the resolution became employees of the International Union pending further action by the union and the AFL-CIO, be promptly terminated.

"Finally, the Committee recommends that the Executive Council retain jurisdiction over the entire matter, pending reports from the Trustee, to determine whether any further action is necessary to insure compliance with the AFL-CIO Constitution and the AFL-CIO Codes of Ethical Practices."

This recommendation was adopted by the council, and the employment of the former president and secretary-treasurer was terminated.

On May 12, 1959, the union held a convention under the auspices of the trustee, and elected a new slate of international officers. Thus this union is on its way to rehabilitation as an affiliate in good standing of the AFL-CIO.

#### Other Activities

Legal Brief in Support of American Bakery Workers Union, AFL-CIO—After the Bakery & Confectionery Workers Union was expelled from the federation because it refused to rid itself of corrupt influences, the American Bakery and Confectionery Workers, AFL-CIO, was formed to take over the BCW's jurisdiction and to provide this group of workers with a clean and democratic union worthy of AFL-CIO affiliation.

Many BCW locals have voted to disaffiliate with that union and to affiliate with the ABC. The BCW has attempted to stop

such disaffiliation by legal proceedings, in which it has challenged the right of its locals in these circumstances to disaffiliate without forfeiting their assets to the BCW. In a leading case, a New York court held that the expulsion of the BCW from the AFL-CIO on grounds of corruption justified the action taken by the locals. The court stated:

"A violation of the trust so reposed in labor leaders is in and of itself sufficient justification for a local union to call it quits. This is precisely what motivated the two local unions to disaffiliate from the International, and the result amply justifies their action . . ."

When the case went up on appeal, the Ethical Practices Committee considered it of sufficient importance to justify filing a brief as *amicus curiae* in support of the ABC. In that brief, the committee, through its counsel, urged the appellate court to affirm the decision which had been rendered. The court did so, thus reaffirming the right of local unions to disaffiliate from corrupt international unions which are expelled from the AFL-CIO.

**Handling of Individual Complaints**—In addition to discharging its formal responsibilities, the committee has been able informally to assist individual union members in the solution of complaints and grievances against their unions and officials. Since the 1957 convention, the committee has received some 130 complaints by union members, most of which involved problems at the local union level which did not fall within the authority of the committee.

In such cases, the committee has directed the complaint to the president of the union concerned, with a request that it be handled in accordance with the laws and policies of that union and of the AFL-CIO. In most instances, the problem received the prompt attention of the president of the union concerned, and he reported back to the committee as to the disposition of the case.

A few of the cases involved allegations of corruption at the international level, and these were called to the attention of President Meany, who handled them directly.

By all these different activities, the Ethical Practices Committee has striven to keep labor's house in order, and to demonstrate to the nation that the AFL-CIO is able and willing to keep itself free from all corrupt and subversive influences.

## **Reports on Other Unions**

### **United Textile Workers of America**

As reported to the 1957 Convention, the United Textile Workers of America had taken steps and had agreed to take further action to place the union in compliance with the directives issued by the Executive Council relating to ethical practices.

In March 1958, with the assistance of the AFL-CIO monitor, a special convention was held in Washington, D. C., at which

time George Baldanzi was elected president and Francis Schaufenbil, secretary-treasurer. Since the convention the officers of the United Textile Workers of America have earnestly and successfully brought the organization to a position of good standing in the trade union movement. Their administration of the union has created a unity within the ranks which has brought greater harmony and therefore greater services and benefits to the members.

The problems confronting the textile workers have created difficult organizing situations. Not only has the industry suffered serious economic setbacks but in the South some employers are carrying on a full-fledged war in an effort to impede and destroy the textile unions. It is encouraging to note that despite these severe handicaps, the organization has not only been able to maintain but make progress in the organizing field.

#### **Allied Industrial Workers Union**

While the 1957 Convention approved lifting the probation of the Allied Industrial Workers, a monitor appointed by the President of the AFL-CIO continued to assist the officers of this union. At its meeting in May 1958, the Executive Council approved the lifting of the monitorship inasmuch as the officers of the Allied Industrial Workers Union had done an outstanding job in rebuilding the international union.

The officers have expanded the education, research and public relations departments which have been of tremendous assistance to the members of the union. In February 1959, the international union moved into its newly constructed headquarters in Milwaukee, Wis. The new location has proven to be of great assistance to the membership. The Allied Industrial Workers Union is now functioning in the true spirit of trade union tradition.

#### **International Jewelry Workers Union**

The financial condition of this international union at the time the trusteeship was imposed on Dec. 30, 1958 at the request of the union's executive board, was very poor. Between September 1958 and May 1959, approximately eight local unions with a membership of 10,947 members disaffiliated from the Jewelry Workers, leaving 13,433 members affiliated to said organization.

In accordance with the Constitution, an advisory committee of three vice presidents was established. The trustee frequently met with this committee to discuss and advise on all matters of interest concerning the union. This advisory committee is still in existence and is working with the officers and executive board to rebuild this organization.

In accordance with the provisions of the IJWU Constitution, a convention was held in May 1959 by Trustee Charles Hasenmeyer, at which time the delegates in attendance elected Harry

Spodick to the combined office of general president and secretary-treasurer of the organization.

This international union is showing progress in its efforts to attain full compliance with the directives of the Executive Council with respect to ethical practices.

In accordance with the request of this union made at its convention, its affairs are still under the general supervision of a monitor appointed by the President of the AFL-CIO.

#### **Distillery, Rectifying and Wine Workers International Union**

A report on this international union will be found in a supplement to this report on page 375.

### **Organizing Activities**

It is the special responsibility of the AFL-CIO Department of Organization not only to pursue, actively, labor's historic organizing mission, but also to keep alive, throughout the labor movement, the sense of organizing urgency and challenge.

One of the characteristics of an effective organizing staff is flexibility and adaptability to changing circumstances. The AFL-CIO organizing staff faced a test of its ability to accommodate itself to new circumstances a few months after the second AFL-CIO constitutional convention, when, in a staff reduction, one hundred field representatives were removed from the organizing department's rolls.

Fortunately, as a result of measures described in the section of the report dealing with headquarters operations, the greater number of these field representatives were retained in various areas of the labor movement.

Experienced in all phases of organizing, able to move into any organizing situation, at any stage of a campaign, members of the AFL-CIO organizing staff are among the most skilled and valued representatives of the American labor movement.

#### **The Fight for Clean Unionism**

Concrete evidence of this ability was given following expulsion of the corruptly led Bakery and Confectionery Workers union and chartering of the new American Bakery and Confectionery Workers International Union, AFL-CIO, during the AFL-CIO convention in December 1957.

The battle to regain for bakery and confectionery workers the right to a clean, militant union was then joined, head-on, in the organizing field. Working in close cooperation with the AFL-CIO Department of Organization, the new ABC-AFL-CIO challenged the expelled outfit across the nation.

In the 18 months since chartering of the new union, the great majority of those workers, 82,920, have responded to the call of

AFL-CIO—have joined the swelling ranks of the new union, now dominant in the field. Several additional large units have elections pending. All signs point to ABC victories there, too.

So thorough has been the rout of the corrupt union that its existence as a separate organization is now in doubt. The end of this year could see its end as a functioning entity.

During the 1957 AFL-CIO convention, unions in the laundry, cleaning and dyeing industry also were expelled. In their place, in 1958, a new union was established, the Laundry and Dry Cleaning International Union.

AFL-CIO Regional Directors and staff have rendered substantial assistance to the new organization in its campaign to bring back into the main stream of organized labor the workers in those fields.

In the case of the Teamsters, expelled by the 1957 convention for failure to oust corrupt leadership, there have been few contests with AFL-CIO unions.

It is interesting to note, however, that the NLRB weekly summaries issued in 1958, reporting results of non-consent elections show that the IBT won only 48 percent of the reported elections in which it engaged. A sample check of more than one third of the reports discloses that in 87 percent of those elections, it was the only union on the ballot. Most of these elections were in small units, with 94 percent having fewer than 50 voting employees.

### **Organizing Results**

Since the last Executive Council report, AFL-CIO unions have participated in over 6,000 NLRB collective bargaining elections, winning approximately 3,600 for a victory record of 59 percent to 60 percent.

Beginning with June 1958, at the request of the AFL-CIO Department of Organization, the NLRB began tabulating the number of persons in bargaining units won by AFL-CIO affiliates in NLRB-conducted collective bargaining elections.

The figures for the three quarters available at this time disclose that about 130,000 have come within AFL-CIO bargaining jurisdiction via these elections in the nine-month period.

On the basis of such figures, NLRB quarterly reports, NLRB annual reports and reports from AFL-CIO affiliates on membership growth resulting from means other than NLRB elections, it is reasonable to speak of one million new members having come into the family of AFL-CIO through organizing efforts since merger.

### **Anti-Labor Campaign Continues**

This has been accomplished despite an unremitting anti-labor campaign of unprecedented proportions calculated to create the most unfavorable atmosphere for union activities. On every

front—political, legislative, economic and civic—the organized, big business-sponsored drive against the labor movement has been pressed with a vigor and thoroughness that has surprised even long-time veterans of trade unionism. The goal of those who are behind this massive assault is the complete destruction of unions as effective instruments for working people.

If there is any doubt as to the seriousness of this intent, a look at some recent developments should dispel it. The attitude of the Kohler Company in the six-year long Wisconsin strike and of the O'Sullivan management at that company's Winchester, Va., strike, are not isolated examples of a return to the days of open industrial warfare.

The most recent example is that of the Harriet-Henderson textile mills in Henderson, N. C. Here is a classic instance of a management aiming to destroy a union with which it has dealt over the years. In this effort the mill owners have enjoyed the cooperation of state authorities, civil, military and judicial.

The Henderson story is part of a regional pattern of systematic and concerted textile employer tactics to eliminate collective bargaining in that industry.

Acts of physical violence against union representatives and organizers have occurred in various sections of the country and in different industries.

In February 1959, the highly respected Carolinas director for the Textile Workers Union of America was attacked at his motel quarters by unidentified assailants. Law enforcement authorities could find none of the participants in this outrage. When a second act of violence was attempted against him, his report of the incident was branded, by a high state official, as fraudulent!

Earlier, also in North Carolina, a Hosiery Workers organizer had undergone a similar, savage beating after forcibly being removed from his motel room and compelled to leave town under threat of greater violence. Officials could find no evidence to warrant issuance of formal charges against any of those taking part in the episode.

An official of the International Ladies Garment Workers Union, in the forefront of that union's struggle against dressmaking firms controlled by racketeers, was blackjacked by hired thugs during the union's convention in Florida. Two months earlier, his assistant had been bludgeoned in front of his own home in New Jersey in an obvious effort to frighten the union into abandoning its strike.

Two staff representatives of the Textile Workers Union of America were knifed and viciously beaten by a mob of "unknown" persons who dragged them from their motel room in Fitzgerald, Ga., scene of a strike against the Fitzgerald Mills Corporation.

Appeals to federal agencies to state authorities and to local officials for protection of civil rights have been to no avail.

These deliberate personal assaults reflect the rising tendency among employers to use any device to eradicate existing unions and prevent establishment of new collective bargaining units. There is underway a well financed, well organized, coordinated, massive campaign against the union movement with major assaults in the organizing and collective bargaining arenas—and the labor movement can look to no source other than its own resources for defense against this aggression.

The years have shown that Taft-Hartley has shackled organizational efforts, particularly in those areas of the country where employers have been happy to use its most injurious provisions.

Labor's organized enemies take additional comfort from the manner in which the Taft-Hartley Act has been made even more oppressive by the actions and decisions of those who have served in its policy making posts since 1952. In effect, the law has been amended by administrative rather than legislative procedures to the detriment of union members.

Despite recognition by unions of the bias the NLRB has demonstrated in the last half dozen years, they have employed restraint in their dealings with the board. Within the limitations of the board's makeup and actions unions are continuing their efforts to work with it to obtain the maximum benefits possible.

It is against the background of this campaign, plus the adverse effects of the greatest economic recession since the Great Depression of the 1930's, and the disturbance of group relations in the South following the Supreme Court decision on school segregation, that organizing results since merger must be viewed.

In that context, those results, while not spectacular, are certainly noteworthy. They reflect continuing acceptance on the part of workers of the general principles of trade unionism. Further, they are an indication of the increased attention that has been directed to organizing by many AFL-CIO affiliates.

### **Organizing Spirit Revived**

Some affiliates have, for the first time, established organizing departments, or given to a national official over-all organizing duties. Some AFL-CIO unions have brought their organizers together in training institutes to develop ways and means of improving their organizing operations.

A few, taking note of changing conditions in their fields, have broadened the scope of their organizing interests so as to keep pace with technological developments.

Perhaps the most revealing indication of renewed interest in organizing on the part of AFL-CIO unions was their response to the organizing conference held in Washington, D. C. in January 1959.

For about a year after the 1957 convention the unfavorable organizing atmosphere generated by the various factors mentioned above made organizing unusually difficult. Toward the



**Leaders of AFL-CIO affiliates discuss mutual problems at first federation conference on organizing.**

end of 1958, however, a change in the overall picture was detected.

Unions began to win more of the doubtful elections, organizing requests began to increase, workers hitherto fearful of employer opposition began to assert their rights. All over the nation there was mounting evidence that working men and women, despite adverse publicity and the relentless anti-union campaign, had not lost their confidence in unions. North, south, east and west—there was a perceptible rise of organizing interest.

#### **First National Organizing Conference**

At this appropriate time the Department of Organization called the AFL-CIO's first national organizing conference.

Seventy-five AFL-CIO unions were represented at this conference. Among the delegates were 32 international union presidents, 27 international union vice presidents, 11 international union secretary-treasurers and 21 international union directors of organization. The full complement of AFL-CIO regional directors and assistant regional directors also took part, together with the AFL-CIO executive officers, representatives of chartered departments and observers from various headquarters departments.

These international union officials, with nationwide organizing responsibilities, engaged in a realistic appraisal of the entire present organizing complex—the general conditions affecting organizing today. They examined the legal aspects of organiz-

ing, devoting considerable attention to the National Labor Relations Board and to pertinent court rulings. They considered, in detail, through panel and floor discussions, the problems of organizing among white collar workers and among workers in the southern states.

The conference was a success. Seldom had there been so frank and basic a discussion of organizing problems, seldom so forthright an analysis of labor's own contributions to organizing handicaps.

Out of the conference came requests that the Department of Organization prepare a written report of the proceedings and that the conference be followed by similar meetings, on a limited geographical basis, all over the country. Both requests have been met.

The report of the organizing conference was prepared in pamphlet form, and entitled "Number One Objective." It has proved popular beyond expectation, not merely as a review of the conference itself, but as a useful reference source for organizing in general.

Regional organizing conferences, some 25 to date, have been held under department auspices. Under chairmanship of AFL-CIO regional directors, leaders of AFL-CIO affiliates in the defined areas collectively have examined organizing possibilities and problems on a local, state or regional basis.

Good results already have been felt in the regions in which the conferences have been held. One concrete outcome has been a new awareness of the role central bodies can play in organizing. An additional benefit has been some furtherance of that spirit of organizational cooperation that should serve as a distinguishing mark of the American labor movement.

### **Conventions Spur Organizing Efforts**

Another indicator of heightened interest in organizing is the attention paid the subject in recent union conventions.

The theme of the recent merger convention of the two unions in the insurance field was organizing. Conventions of the Retail Clerks International Union, American Newspaper Guild, Sheet Metal Workers, Barbers, Plasterers, Communications Workers—to name only a few—have all stressed the necessity for intensification of organizing efforts.

Work statistics maintained by the Department of Organization serve to point up the same rise in organizing endeavors on the part of AFL-CIO affiliates. In the 20-month period ending May 1, 1959, AFL-CIO provided more than 41,000 man days to its national and international unions in organizing campaigns and related trade union activities. Additional man days were given to AFL-CIO trades departments.

Assisting directly affiliated local unions and central bodies, both state and local, the organizing staff expended some 18,000

man days. This aid, for the most part, consisted of servicing contract negotiations, help in merger negotiations and in program development and implementation.

For the greater part of the period the AFL-CIO staff was functioning with only 47 percent of the manpower it had at the time of merger. These figures, compared with those for the previous 20 months, demonstrate a stepped up organizing and servicing pace.

### The New Challenges

In the last two years the direction that organizing efforts must take in the future has become even more clear than was the case at the time of preparation by the Executive Council of its 1957 convention report. At that time, reference was made to the fact that white collar workers constituted half of the realistic organizing potential of 26 million, and to the equally important fact that some 10 million of the 26 million yet unorganized were located in the southern states.

For the first time in our nation's history, there are more white collar than blue collar workers—and the ratio is steadily changing in favor of the white collar group.

As for the South, a tremendous economic development is taking place there, as well as in the West. Every day, the value of capital investment—in plant and equipment—in the South is increased by more than a million dollars. Growth of the wage and salaried work force is accompanying this phenomenal expansion.

These two areas, one geographical, one occupational, loom today as indispensable, major organizational targets for the future.

A great challenge thus confronts the American labor movement. Successful acceptance of the challenge will require more than determination; it may call for some fundamental adjustments in organizing methods and collective bargaining programs.

Two important considerations must be kept in mind. Organizing today is more difficult, more costly, requires more manpower than was the case a few years ago. The labor movement must become aware of this fact and make preparations for the necessary monies and manpower.

It must also take recognition of the fact that jurisdictional conflict can impede general union advance.

### Farm Workers, Prime Organizing Target

There is a third group of workers, sorely in need of the benefits trade unionism alone can bring, among whom organization has not yet achieved significant dimension—agricultural workers.

Organizing such workers presents difficulties of a unique character. Opposition from employer groups is fierce; governmental regulations have not the same impact as in "interstate commerce;" the entire matter is accentuated by the specialized prob-



**Card No. 1 in newly chartered American Bakery & Confectionery Workers is held aloft by Secretary-Treasurer Schnitzler.**

lems of migratory employment, both of domestic and foreign workmen.

The needs are so great, however, and the working and living conditions of these workers so miserably inadequate, that this organizing task must be completed.

Out of conviction that these problems can and must be overcome, the Executive Council, in February 1959, authorized an agricultural workers organizing campaign. Without fanfare the Department of Organization has taken, in California's San Joaquin Valley, the first steps toward that organizing goal.

It is too early to evaluate the initial effort, but there is reason to believe that a substantial beginning has been made toward the objective of bringing the vast army of farm workers into AFL-CIO membership.

### ***The Bakery Workers Campaign***

The creation and tremendous growth of the American Bakery and Confectionery Workers International Union is a major victory for clean, democratic trade unionism and a tribute to the American workers' determination to wipe out corruption and racketeering.

When the AFL-CIO convention expelled the BC&W for failure to oust its corrupt leadership, a number of Bakery and Confec-

tionery Worker Union locals, refusing to go along with the union's tarnished leadership, was ready to take over and set up a clean, honestly led bakery and confectionery workers union. The Executive Council immediately granted this group a charter as the ABC.

Working closely with the AFL-CIO Dept. of Organization, the ABC touched off a nationwide campaign to bring locals of the expelled union into the new organization. By mid-1959, ABC had succeeded to the tune of 132 local unions with a membership of 82,950.

The spectacular growth of the new union in 18 months did not come easily. The expelled BC&W fought every inch of the way employing every unprincipled tactic available, resorting to legal roadblocks and alliances with unsavory elements and leadership of other expelled unions.

But the ABC was not to be denied. In December 1957 it started with 23 local unions; a few months later there were 112.

Of the 132 locals as of mid-1959, 44 were successful in securing recognition from employers without the necessity of National Labor Relations Board elections. The others went the election route.

All told, a total of 314 elections were conducted by the board. ABC locals won 279, the expelled BC&W won 28; other unions won the few remaining contests.

A total of 44,549 votes were cast in the 314 elections. Of the total, 35,057 went to ABC; the BC&W received—despite unparalleled pressure on the workers—7,214 votes; the rest went no union or to other unions on the ballot.

A month after the AFL-CIO chartered the new ABC, national welfare and pension funds were established. As of June 30, 1959, they covered over 25,000 workers in the welfare fund and over 30,000 in the pension fund. About 750 employers contribute to the funds which have paid close to \$8 million in welfare, death and pension claims.

The nature of the battle against the BC&W is perhaps best seen from the legal battlefield. In practically every situation where a new ABC local was formed, it was forced to resist in court efforts by the BC&W to grab the assets for its own use.

Even where the expelled union had little or no membership support it established paper trusteeships and brought suit to hamper the ABC. To date 16 local ABC unions have been put through this legal ordeal and all have emerged victorious.

The overwhelming defeat of the BC&W by the ABC has placed the new AFL-CIO union in a position of preeminence in the bakery and confectionery field. The defeat of the expelled union has been almost complete and its survival as a union is in doubt.

The members of the American Bakery and Confectionery Workers Union have written a new and important chapter in American trade union history in their determined fight to establish and maintain a clean, honest, democratically run union.

## **The Laundry Workers Campaign**

Since the chartering of the Laundry and Dry Cleaning International Union in May 1958, considerable progress has been made by the new organization despite a costly running fight in various parts of the country against the expelled Laundry Workers' International Union.

Not a single major fight for recognition has been lost by the AFL-CIO union. In every instance the new international based its appeal to the workers on the potent theme of **AFL-CIO clean unionism as opposed to corrupt unionism.**

These efforts were aided immeasurably in all of the local situations by regional representatives of the AFL-CIO Department of Organization. Their cooperation and support were a source of great inspiration to the officers of the new union.

This was especially true in Indianapolis, Milwaukee, Cincinnati, Shreveport, Baltimore and Birmingham. Overwhelming victories were scored against the expelled union in NLRB elections in Indianapolis and Cincinnati by margins ranging from 3 to 1 to 7 to 1. The new union has locals operating in both cities under new contracts.

In Milwaukee, a former international vice president of the new union made a deal to bring the members back into the expelled LWIU, precipitating a long, drawn-out campaign and costly litigation. The new international was successful in solidifying the Milwaukee locals and writing new contracts bringing



**New Laundry and Dry Cleaners International Union is chartered to replace union expelled on findings of corrupt influences.**

a better way of life to the laundry and dry cleaning workers in that city.

At the present time the NLRB is scheduled to fix a date for an election in Shreveport. The outlook here is very bright for a decisive victory. In Birmingham, organizational work has been hampered due to local circumstances and court litigation instituted by the expelled union.

In Oakland, Calif., a raiding attempt by the expelled international against Local No. 2 resulted in a 3 to 1 victory for the new union in an NLRB election.

After nearly 10 months of organizational activity in Baltimore, the new union appears to have gained a "break-through" against a powerful group of laundry and dry cleaning plant owners who have financed an anti-union drive. Several NLRB elections have been ordered in Baltimore.

Baltimore has been a costly venture but the drive was forced upon the new union by virtue of dismissals of employees by several plant owners because of union activities. The adversities that plagued the new union in Baltimore were further complicated by the failure of the NLRB to act quickly in clean-cut cases and order elections.

The AFL-CIO Laundry and Dry Cleaning International Union since February 1958, has done a splendid job in the organizational field despite the obstacles of a strongly anti-union industry and the expelled Laundry Workers' International Union. The new union was successful in solidly establishing itself not only in the cities mentioned but in New Jersey, Pennsylvania, California and Massachusetts.

The officers of the new union realize and will fully meet the responsibilities of the job ahead in organizing the unorganized workers in the laundry and dry cleaning industry. The workers in this industry need economic assistance. They are among the lowest paid, if not the lowest, group of workers in our entire industrial structure. At the present time, the new union has approximately 26,000 members.

## Jurisdictional Issues

### No-Raiding Agreement

The AFL-CIO No-Raiding Agreement was not only a first and indispensable step towards the achievement of organic unity upon its effective date, June 9, 1954, but it since has become one of the demonstrable benefits of the merger. It has proved its value as a method of enforcing a basic minimum principle governing the relationships between affiliates of the AFL-CIO.

Attempts of one signatory to raid the membership of another signatory where an established collective bargaining relationship

exists for a period of one year or more, or where an NLRB certification is in effect, have materially decreased with the passage of each year. The statistical story of the steady downward trend of raiding between affiliates is graphically depicted in Volume I of the Decisions and Recommendations of the AFL-CIO Impartial Umpire.

As of July 9, 1959, the date this report was compiled, 219 cases have been processed under the provisions of the AFL-CIO No-Raiding Agreement. One hundred sixty-three of these cases were resolved by mutual agreement between the parties involved. The Impartial Umpire has rendered 42 decisions and is in the process of hearing 6 pending cases. Eight cases still in the preliminary stages are being processed.

As of July 9, 1959, 104 of the 135 national and international unions were signatories to the AFL-CIO No-Raiding Agreement. Of these 104 signatory unions, 79 were formerly AFL, 22 formerly CIO; since the last convention in December 1957, three international unions were chartered, as noted elsewhere in the report, by the merger of AFL and CIO international unions.

The cooperative manner with which no-raiding cases have been handled by a vast majority of signatories is reflected in the high percentage of resolved cases.

There has been a myriad of disputes that have been resolved by mutual agreement between the parties prior to an official complaint being initiated. The settlements effectuated in these instances are not included in the official statistics of the No-Raiding, Violation of Constitution and Boycotting dispute cases.

### ***Raiding Disputes Processed Under Constitution***

The AFL-CIO No-Raiding Agreement predated the merger of the two former national organizations. The basic principle in the AFL-CIO No-Raiding Agreement was expressed in Article 3, Section 4 of the AFL-CIO Constitution, which provides that the integrity of each affiliate shall be maintained and preserved and that each affiliate shall respect the established collective bargaining relationship of every other affiliate and shall not raid such established collective bargaining relationship.

With the establishment of this basic constitutional principle at the merger convention in December 1955, the No-Raiding Agreement no longer stood as the embodiment of a principle applicable only to its signatories but represented a procedural device to enforce a principle applicable to all affiliates.

On Feb. 6, 1958, the Executive Council implemented Article 3, Section 4 of the Constitution providing that all complaints of violation of this section of the Constitution were to be processed under the procedures of the No-Raiding Agreement except that the Impartial Umpire would make recommendations in such cases as distinguished from the binding decisions he makes between signatories to the agreement.

From March, 1958 to July 9, 1959, 100 cases have been processed under the implementation of Article 3, Section 4 of the AFL-CIO Constitution. Fifty of these cases were resolved by mutual agreement between the parties involved. The Impartial Umpire has rendered 22 recommendations and is in the process of hearing 14 pending cases. Seven cases still in the preliminary stages are being processed and seven other cases have been marked closed as one of the unions involved disaffiliated.

### ***Boycott Disputes Processed Under Constitution***

The Executive Council on Feb. 7, 1958 adopted a resolution implementing Article 2, Section 8 of the AFL-CIO Constitution holding that these constitutional provisions and the basic principle of trade union morality require that no affiliate should engage in a boycott or similar activity of goods or materials manufactured or processed by employees represented by another affiliate of the AFL-CIO.

The Executive Council directed that all complaints of violation of this section of the Constitution would be processed under procedures of the No-Raiding Agreement except that the Impartial Umpire would make recommendations in such cases.

As of July 9, 1959, 34 cases have been processed under this provision of the AFL-CIO Constitution. Eleven of these cases were resolved by mutual agreement between the parties involved. The Impartial Umpire has rendered three recommendations and there are 13 cases pending hearing by the umpire. Seven cases still in the preliminary stages are being processed.

### ***Relations Among Building Trades***

#### ***And Industrial Unions***

In February 1958 an agreement was reached by a committee set up by the Executive Council between the Building and Construction Trades Department and the Industrial Union Department. This committee was formed for the purpose of solving work problems arising between building trades unions and industrial unions.

The agreement called for the AFL-CIO to send special representatives into the field where disputes existed and brought to the attention of the AFL-CIO by either the Building and Construction Trades Department or the Industrial Union Department.

While there are many problems still existing in this area, every indication shows that progress has been made in the last year as a result of this agreement. The special representatives have been successful in setting up local procedures and formulas for the settling of future cases in many localities throughout the country.



## The National Economy

### Economic Situation

Restrictive governmental policies have contributed to two recessions and a dangerous slow-down of economic growth in the past six years and are still being pursued, despite continuing slack in some parts of the economy.

Improvements in economic activities since the recession's low-point in April 1958 have brought real national output and total employment above the pre-decline levels of two years ago. But a growing labor force and rising productivity endanger the American economy with persistent unemployment of about five percent of the labor force, unless economic activities continue to increase at a rapid pace.

Greatly expanded production levels and job opportunities are essential if full employment and full utilization of the nation's economy are to be achieved. Balanced economic growth of about five percent a year is required to provide adequate defense in the cold war and necessary public services for a growing population.

Despite the urgency of these problems, non-existent runaway inflation has been described as America's major challenge. Although the price level has been reasonably stable for over a year and slack continues in the economy, the continuing fear campaign about "runaway inflation" retards economic growth.

This fear has been used as the justification for government policies including tight-money, attempts to balance the federal budget at low levels of output and income, and exhortations to unions and management to hold the line on wages—all designed to curtail the pace of economic progress.

Speaking of such restrictive policies in the United States and other industrial countries, Dag Hammarskjold, United Nations secretary-general, recently declared: "Although the slack in the industrial economies resulting from the recent recession has not yet been taken up, governments are beginning to show concern about the current expansion, and in some cases have already

taken steps to slow down the rate of growth . . . I wonder whether we are displaying as much concern about the slow-down in economic growth as we are about the dangers of price inflation."

The nation's needs cannot possibly be met by economic stagnation. In consideration of America's obligations in national defense and the international arena, Under Secretary of State C. Douglas Dillon has said: "The 5 percent annual increase (in real national output) recommended as a goal in recent studies would seem to be an absolute minimum."

A recent report by the Rockefeller Brothers Fund also found that "a growth rate of 5 percent is possible if we realize fully our impressive opportunities for economic expansion. . . . We can afford the defense programs essential for survival. In doing so, however, unless we achieve a 5 percent growth rate, we shall have to hold back otherwise desirable expenditures in the government field and keep the growth of private expenditures below a level commensurate with our aspirations."

The psychology of fear must be abandoned. National policies must be based on meeting America's vast needs and potentials. A balanced 5 percent a year growth rate should be the cornerstone of America's economic policy.

### ***The Campaign Against an Expanding Economy***

The nation has been subjected to an intensive campaign against economic expansion and full employment in the name of fighting inflation. Had America succumbed to such an attack in the early years of the Republic, it would now be an economic have-not nation. Continuing this campaign in the future can jeopardize America's place in a world of rising national powers.

Inflation is a condition of sharp price rises associated with too much money chasing after too few goods. In the United States such inflation has been related to war and the aftermath of war. Excessive demands on the supply of goods and productive capacity after World War II in 1946 and 1947 caused inflationary pressures. Consumer prices increased 30 percent.

The outbreak of the Korean War in mid-1950 brought another inflationary situation, with excessive speculation, inventory-building and hoarding. Between mid-1950 and mid-1951, consumer prices increased almost 9 percent. Approximately three-quarters of the entire postwar consumer price rise occurred in those three years of inflationary pressures.

Restrictive economic policies are properly used to curb demand when general shortages of goods, labor and productive capacity exist. In the absence of excessive demand and general shortages, restrictive policies produce economic slack and unemployment. Since mid-1951 there has not been any general shortage or inflationary condition.

For four years, from mid-1951 to mid-1955, the price level was

reasonably stable. Wages and salaries rose and the economy expanded at a fair pace. Although it was not an ideal period, these years provide clear evidence that economic expansion and continuing improvements in wages and salaries are consistent with reasonable price stability.

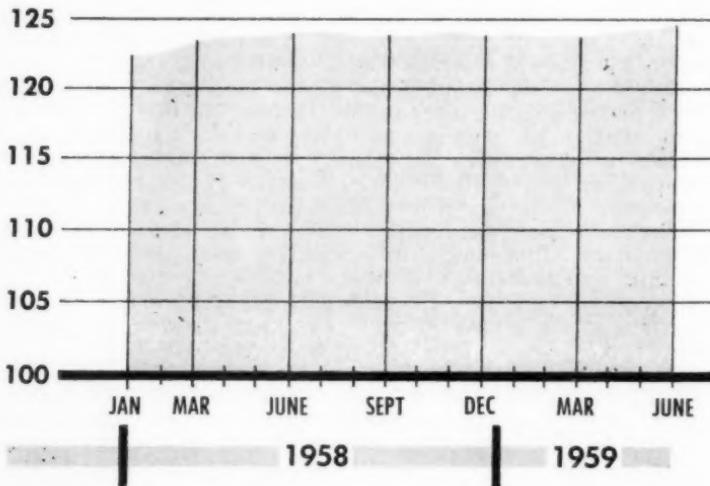
Many political and business leaders, however, took the leadership in campaigning against a phantom inflation during those years of reasonable price stability. In early 1953 the government adopted anti-inflationary, restrictive policies to reduce the rate of economic growth. Tight money, high interest rates and the attempt to balance the budget at all costs helped start a recession in the summer of 1953.

These policies did not halt price rises. From mid-1955 to mid-1958 the price level rose about  $2\frac{1}{2}$  percent a year. These price increases were termed "inflation," although they occurred in a period of economic slack. They provided fuel for a stepped-up fear campaign. Increasingly channels of public communication became filled with talk of inflation, justification of restrictive policies and attacks on wage increases as an inflationary danger.

The facts, however, reveal that the real problem has not been inflation, but a slow, upward rise in the price level. In eight

## Consumer Price Index

1947-1949 = 100



SOURCE: U. S. Department of Labor

years, from the end of the post-Korean inflation in mid-1951 to mid-1959, consumer prices increased less than  $1\frac{1}{2}$  percent a year and wholesale prices, one-half of one percent a year.

Attempting to put this issue in perspective, Professor Alvin H. Hansen of Harvard University has pointed out that during the entire 1948-1958 decade, including the post-Korean inflation period, the rate of increase of "wholesale prices was  $1\frac{1}{4}$  percent per annum; of consumer prices  $1\frac{3}{4}$  percent. In contrast, in the 16 years of peacetime prosperity from 1897 to 1913 the compound rate of increase per annum was much higher— $2\frac{1}{2}$  percent. Taking the longer view covering the six decades from 1897 to 1958, the per annum rate of increase of prices (wholesale and consumer) was  $2\frac{1}{3}$  percent . . . the record during the years 1948-58 (which, however, included a war of considerable dimensions) discloses a per annum price increase not much more than half as large as that of the entire 60-year period. This is by no means an irresponsible record."

The record of the past decade, however, has been distorted into a springboard for a continuing national campaign of fear, tight money and attacks on organized labor and collective bargaining. Government and business spokesmen have criticized as inflation-producing villains economic expansion and trade unions.

America has been told that wage increases are a particularly dangerous threat, since they supposedly have caused excessive consumer demand and substantial unit-cost increases. But during the period of creeping price rises from mid-1955 to mid-1958 there was idle productive capacity, and no general shortages of goods or labor. For most of this period, the major economic problems were weakness in consumer markets and a growing gap between lagging sales and increasing productive capacity.

#### **Rising Productivity Offsets Costs**

Nor did manufacturing wage gains create pressures on unit costs. Rising productivity and rapid technological change have offset the costs of wage and fringe benefit improvements. Payroll and fringe benefit costs of factory production and maintenance workers per unit of output were no greater in 1958 than in 1953. During the first half of 1959, they were approximately the same as in the previous year.

Steadily rising real wages and salaries are a necessary prerequisite for economic growth. They are the foundation for growing consumer markets. The American economic system has been largely centered on a growing economy based on expanding mass consumer markets and on increasing real incomes of wage and salary earners.

Americans always have been proud of high and rising wages that permitted continuing improvements in living standards. Visitors from other parts of the world came in awe and wonder

to see "the golden land" in which working people shared in the benefits of economic progress. Now, Americans are being told to forget such achievements, to forego improvements in wages and salaries and to support restrictive policies that curb expansion. Those who lead the campaign against economic growth seem to believe that there will be little progress in the future, little room for wage and salary increases and improved living conditions.

This campaign against economic expansion is a betrayal of America's heritage of social and economic progress in a free society. It is taking place at a time when economic growth is needed more than ever before.

### ***Slow-Down of Economic Growth***

A shocking state of stagnation has characterized the performance of the national economy in recent years. The government's use of restrictive economic policies to fight creeping price increases has helped cut the rate of national economic progress almost in half. This has been at great cost to the nation.

Between 1953 and 1959,\* the increase in the volume of total national output slowed down to an average rate of 2.7 percent a year. This compares with an average yearly rise of 4.6 percent between 1947-53. The population, however, has continued to grow—by 1.7 percent a year. Real national output per man, woman and child, therefore, has increased at a snail's pace during the past six years.

This rate of national economic growth has been slower than that of almost every other industrial country in the world. The slow-down marks a record of two recessions in 1954 and 1958 and of unbalanced, incomplete recovery in 1955-1957. Even the pick-up from the 1958 recession now in progress is threatened by the repetition of restrictive economic policies which could result in another unbalanced, incomplete recovery.

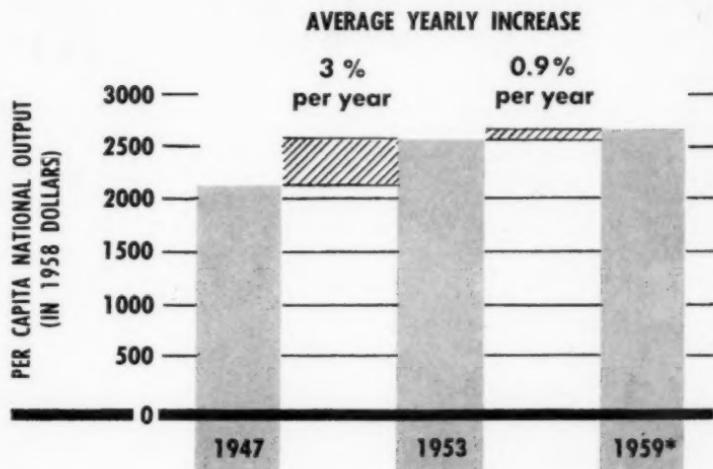
Had the national economy continued to grow at the pace of 1947-1953, real total output would be about 14 percent greater in 1959. But the slower growth rate for the last six years has produced a cumulative national loss of approximately \$225 billion (in constant 1958 dollars). This deficit in national output has meant a loss of about \$45-\$55 billion in federal revenue. Such revenue could have provided for more defense and public services spending without federal budget deficits. The slow-down has also meant the loss of billions of dollars of goods and services for higher living standards and improved levels of education, health and housing.

The impact of the slow-down has been widespread:

1—The slow pace of economic advance has contributed to a

\* The gross national product, in constant 1958 dollars, rose from \$312.4 billion in 1947 to \$408.7 billion in 1953 and to an estimated \$478 billion in 1959.

## SLOWDOWN IN REAL NATIONAL OUTPUT PER MAN, WOMAN AND CHILD



SOURCE: U. S. Department of Commerce

\*Estimated

trend toward relative economic and military weakness, in relation to the Soviet Union.

While the Soviet Union has continued to increase its military build-up and to step up its cold-war economic attack, United States expenditures for defense and foreign aid have barely held their own.

Although total production in the Soviet Union is less than one-half as great as in the United States, the Soviet system of ruthless dictatorship diverts a large share of output for military and cold-war purposes. Furthermore, as the Soviet economy expands, the totalitarian system can siphon off the additional output for military and international political objectives.

The volume of total production in the Soviet Union has been expanding rapidly in recent years—some two to three times faster than in the United States. This rapid rise has permitted increasing outlays for military and cold-war purposes, as well as small increases in consumer goods. In contrast, the slow economic growth in the United States and the government's overriding emphasis on budgetary considerations have imposed severe limits on defense and foreign aid spending. Continuation of this contrasting trend in the coming years can have dangerous consequences for the United States in the international arena.

2—Since 1953, levels of unemployment have been higher than in the immediately preceding period.

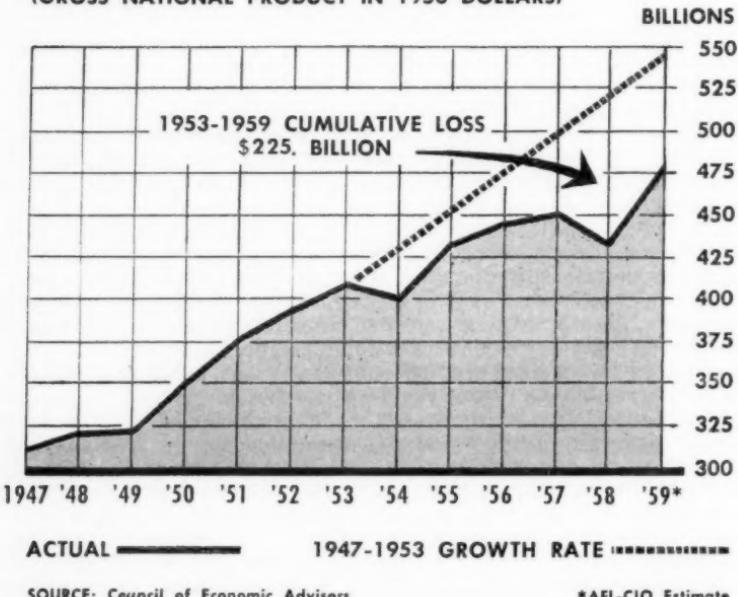
Slow economic growth in 1953-1959 failed to provide a sufficient number of new jobs to sustain full employment. It also aggravated the social and economic results of technological change—declining job opportunities in manufacturing, railroads and mining and an increasing number of economically distressed communities.

The number of jobless has risen to more than 5 percent of the civilian labor force in 1953-59—higher than the 1947-53 average of 4 percent when the 1949 recession and returning GI's had an impact on unemployment rates. The sharp increase shows up more clearly if compared with 1951-1953, when an average of 3 percent of the civilian labor force was unemployed.

The economy's failure to provide a sufficient number of new employment opportunities during 1953-1959 aggravated the troubles of tens of thousands of workers who were displaced from manufacturing, railroad and mining jobs. It added to the difficulties of an increasing number of communities where major

## NATIONAL PRODUCTION DEFICIT

(GROSS NATIONAL PRODUCT IN 1958 DOLLARS)



industries shut down, moved elsewhere, or cut back employment. In addition, the government's major emphasis on budget issues brought in 1958 a presidential veto and defeat of attempts to provide government aid for communities of chronic economic distress.

3—The government's restrictive economic policies, advertised as "anti-inflationary," have actually contributed to upward price pressures.

Since the economy failed to expand output rapidly, the sharp rise in costs for the capital goods boom of 1955-1957 and technological change had to be spread over a slowly increasing number of units of production. The rising costs of depreciation, interest payments, stepped-up hiring of engineers and technicians and the increased use of professional and technical services, therefore, added to unit costs. Businesses passed these unit cost increases on to their customers.

Several key industries, in which prices are administered by giant corporations, were able to maintain or enlarge their profit margins by successive price boosts. A more rapid rate of economic growth in these years would have meant more stable unit costs. Rising expenditures for capital goods and technological change would then have been spread over many more units of output. Increased unit cost pressures on the price level would have been eliminated or minimized by a faster pace of economic expansion.

In addition, the pace of output per manhour of work was hampered in 1956 and 1957 by the slow-down in economic growth. Productivity declined slightly in late 1957 and early 1958 in response to the recession and the drop in output; it began to rise sharply in the spring of 1958, as the economy picked up from the recession. A more rapid rate of economic growth in 1953-1959 would have meant a faster pace of improving productivity.

4—The government's restrictive economic policies and attempts to balance the budget at low levels of output and income have been self-defeating.

The slow-down in economic growth has contributed to a loss in government revenue and continuing budget difficulties.

As part of its restrictive policies, the government has tried to balance the budget at all costs by reducing public spending. This has meant cutting outlays for national security and urgently needed public services. Nevertheless, the government has run into increasing difficulties with the budget and with financing the federal debt. The major reason for this seeming contradiction is that the slow-down in the growth of the nation's output and income, caused by restrictive policies, has meant a loss of government revenue.

The federal government, for example, operated at budget deficits in the fiscal years ending June 1954, 1955, 1958 and June 1959. These deficits were, in large measure, the products of

recession and decline in output and income. A higher rate of economic growth in 1953-1959 would have produced greater increases in national output, income and government revenue. Had national output expanded in these years at the pace of 1947-1953, federal revenue in 1953-1959 would have been about \$45 to \$55 billion more than it was. Government policy should be directed toward balanced economic growth, which can produce increasing government revenue from rising output and income.

The government's restrictive economic policies have been self-defeating in other ways. Tight-money policies and the high interest rates they foster have made it more expensive and more difficult for the government to carry its debt. Interest payments on the government debt rose from \$6.6 billion in fiscal year 1953 to \$8.1 billion in fiscal year 1959—mostly due to the rise in interest rates.

In addition during much of the 1953-1959 period, restrictive tight-money policies with their rising interest rates made it difficult for the government to issue long-term bonds at moderate rates of interest to people who save for the future. The government was therefore compelled to finance an increasing portion of the public debt through short-term securities to banks and other financial and business firms. Despite the declared intention to increase the share of the debt that is in long-term bonds, the government's own policies have helped to cause the opposite effect—an increased portion of the debt in short-term securities.

5—The slow pace of economic growth has added to difficulties in labor-management relations.

It is considerably more difficult to reach agreement on how to share a pie which is increasing very slowly, than how to share one that is increasing at a rapid rate.

A more rapid rate of economic growth in 1953-1959 would not have been in itself a panacea to end all problems. But a faster pace of economic expansion in those years would have provided more full-time jobs and efficient utilization of productive equipment, greater income and increased government revenue.

It would have permitted more adequate government attention to the nation's major issues—national security and the needs of a growing population. It would have provided, also, a more sober environment for examining the causes of creeping price rises and the development of possible solutions.

### ***Recession and Pick-up***

A partial cause of the six-year slow-down of economic progress has been the recessions of 1954 and 1958. The depressing effect of two recessions in six years is demonstrated by the fact that 35 months, or almost half the period between 1953 and 1959, were spent in economic decline and return to pre-recession production levels.

A more rapid rate of growth in the years ahead requires an all-out effort to reduce the possibility and frequency of recessions and to minimize whatever declines may occur. This requires private and government policies aimed at balanced economic growth, as well as prompt anti-recession measures at the start of any decline in output and income. The lessons of the 1958 recession provide considerable experience in learning how to avoid recessions and to minimize their depressing effects.

The underlying cause of the 1958 recession was a growing gap between the economy's ability to produce and its ability to consume. This lack of economic balance developed out of a capital goods boom, which expanded productive capacity rapidly, while consumer buying power and family purchases of hard-goods and homes lagged.

### **Investment Policies Produced Gap**

This lop-sided condition resulted partly from the 1954 federal tax changes which gave special tax privileges to corporations and to wealthy stockholders. It also grew out of the cost-price-profit-investment policies of dominant corporations which seek investment funds from large profits based on high prices and from depreciation allowances rather than from private investors' risk capital.

Government and business policies, therefore, provided too great a flow of funds to the corporations. With strong government encouragement, a one-sided business investment boom was under way by the middle of 1955. In the year and one-half from the spring quarter of 1955 to the end of 1956, business investment in new plant and equipment soared 33 percent. This sharp rise in investment—much of it in automatic and semi-automatic labor-saving machinery—brought a rapid increase in the economy's ability to produce goods and services.

But residential construction began to decline early in 1955, consumer purchases of hard-goods started to sag towards the end of the year, and the buying power of per capita after-tax personal income stopped improving in 1956. Economic growth slowed down. Despite the capital goods boom, the number of jobless remained at about 4.3 percent of the labor force and idle productive capacity was growing.

### **Boom Loses Steam**

By early 1957, it became apparent that the business investment boom was quickly losing its steam, as businessmen became increasingly aware of the growing gap between productive capacity and sales. Between the end of 1956 and mid-1957, before the recession started, real national output moved up only about one-half of one percent.

In this setting of economic unbalance and stagnation, the gov-

ernment triggered the fuse that started the decline. During the spring and summer of 1957, the government cut back its placement of defense contracts in an attempt to reduce defense expenditures. Following these actions, and after more than a half-year of stagnant economic activities, the government tightened the money supply further and raised interest rates in August. By the end of the summer, national economic activities were declining.

Between the third quarter of 1957 and the first quarter of 1958, business moved from building stocks of goods at an annual rate of \$2.7 billion to cutting inventories at a rate of \$6.9 billion; business investment in new plant and equipment dropped at a yearly rate of \$5.4 billion; and the excess of exports over imports, which had risen after the Suez crisis, declined at an annual rate of \$3.1 billion. Unemployment rose to over 5 million and work-schedules were cut back. Despite these sharp declines, consumer spending merely sagged at an annual rate of less than \$1 billion.

A downward spiral of layoffs, production cutbacks, wage cuts, falling retail sales and further cuts of output and jobs did not develop. The effects of the recession were cushioned by trade union strength and New Deal legislation. Among the most important factors that cushioned the recession and produced the pick-up have been:

1—Trade union strength and collective bargaining helped to keep consumer income fairly strong, despite the decline in output, working hours and jobs.

Relative steadiness of total consumer income during the de-



Grim face of unemployment is symbolized by long line of jobless lining up at Chicago steel mill during 1958 recession.

cline prevented a sharp drop in retail sales that could have touched off a downward spiral. Although the decline in output and jobs was sharp, total personal income fell at a yearly rate of \$1.8 billion between the start of the decline in August 1957, and the recession low-point of April 1958. By June, total personal income was back to the pre-recession level.

In explaining this development, Professor Sumner Slichter of Harvard University states that, "by far the most important cause of the steadiness of personal income . . . is the rise in the hourly earnings of wage and salary earners." If the hourly earnings of employed wage and salary earners had not increased during the months of declining output and jobs, layoffs and cutbacks in working hours would have caused total personal income to drop rather sharply.

Between the start of the recession and its low point, wage and salary increases for employed workers offset about half of the decline in total wage and salary income caused by unemployment and short workweeks. Trade union strength and the federal minimum wage law helped to prevent widespread wage cuts, while collective bargaining produced wage and salary increases.

In addition, wage and salary rises were put into effect as deferred increases under the terms of previously negotiated collective bargaining agreements. As a result, the recession's effects were partly offset and total wage and salary payments fell by a yearly rate of \$7.9 billion—or 3.3 percent—instead of about twice that much.

Recent technological changes also contributed to the relative steadiness of total wage and salary payments during the decline in output and jobs. Technological changes, in recent years, have shifted an increasing proportion of the work force to such salaried jobs as clerical, government, service, professional, technical and supervisory. These employee groups are usually not laid off during a recession.

In manufacturing industries, such salaried jobs declined 2½ percent between August 1957 and April 1958, while production and maintenance jobs fell 11½ percent. Jobs in state and local governments, on the other hand, increased during the general economic decline. In addition, many of these salaried employees received salary increases directly negotiated by unions or to match union increases, merit raises or deferred increases.

2.—The unemployment insurance system provided some weekly family income for most unemployed workers and contributed to the high degree of steadiness of total personal income.

Total unemployment insurance payments increased from \$132,399,000 in August 1957 to \$436,831,000 in April 1958—a rise of \$304,432,000. At the recession low-point, the unemployment insurance system, though inadequate, was paying out a yearly rate of \$3.7 billion more than at the start of the recession. This increase in unemployment insurance payments offset ap-

proximately 47 percent of the \$7.9 billion decline in the rate of total wage and salary payments.

In addition, several hundred thousand jobless workers received supplemental unemployment benefits under terms of collective bargaining agreements negotiated during the previous three years. These supplemental payments brought the incomes of several hundred thousand jobless workers up to as much as 65 percent of their take-home pay.

Government social insurance programs—such as retirement, disability and survivors' benefits—also helped to cushion family incomes during the decline. In April 1958, government payments under these programs were \$98,646,000 greater than in August 1957. Unlike unemployment insurance these programs were not meant to be anti-recession devices, but they permitted tens of thousands of laid-off older workers to retire with regular monthly pensions. The incomes of many of these retired workers were bolstered by pension-plan payments under collective bargaining agreements.

The combined effect of such factors as wage and salary increases for employed workers, the unemployment insurance system, supplemental unemployment benefits, government social insurance programs and pension plans under labor-management agreements was to offset approximately 75 percent of the decline in total wage and salary payments that otherwise would have occurred. Of these factors the major cushions were wage and salary increases for employed workers and the operation of the unemployment insurance system.

#### **Other Factors in Pick-Up**

While trade union strength, collective bargaining and the unemployment insurance system cushioned the decline, belated government actions also provided some impetus for the pick-up.

State and local governments continued to increase their purchases of goods and services—mostly for school, road and hospital construction and the operation of school systems.

These purchases of goods and services rose by a yearly rate of \$2.3 billion from the third quarter of 1957 to the January-March quarter of 1958, when almost all other economic activities were weak or falling. They continued to rise through the rest of the year.

The Federal Reserve Board belatedly reversed its tight money policy and started to ease the money supply and reduce interest rates in November 1957.

The Defense Department sharply stepped up the placement of contracts for defense goods—from a low of \$3.2 billion in the third quarter of 1957 to \$5.2 billion in the January-March quarter of 1958 and \$8.5 billion in the second quarter of the year. This extremely rapid increase in the placement of defense con-

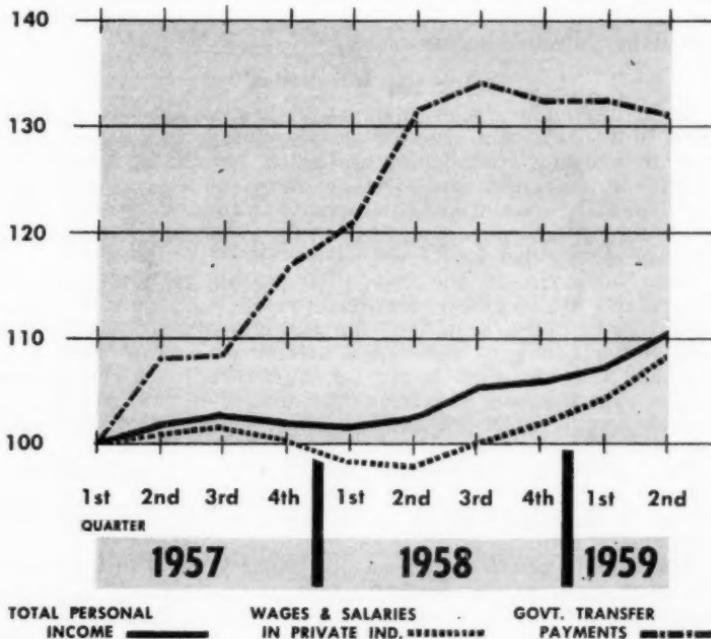
tracts came after the Administration had cut back defense contract placements in the spring and summer of 1957. With the step-up of contract placements, defense expenditures, which had declined in late 1957, began to rise—from a yearly rate of \$44 billion in the first quarter of 1958 to a rate of \$45.3 billion in the final quarter of the year.

After the sharp economic decline reached its low point, Congress finally adopted several anti-recession measures that helped strengthen economic activities.

Additional government funds were made available for mort-

## DURING 1958 RECESSION—PERSONAL INCOME REMAINED RELATIVELY HIGH

Strengthened by Union-won wage increases and Gov't. payments for Unemployment Compensation



SOURCE: U. S. Department of Commerce

gages for low- and medium-priced homes. Government funds were also made available to step up the interstate road-building program. Although not designed as an anti-recession measure, congressional action to raise government pay scales during the summer of 1958 boosted personal income.

A temporary and far too modest improvement in the unemployment insurance system was adopted. Under this law, states could receive loans from the federal government—with agreement for repayment—for the purpose of extending the duration of unemployment insurance payments to jobless workers who had exhausted their benefit periods.

The experience of the 1958 recession indicates the necessity of attempting to maintain a continuing balance between the economy's ability to produce and its ability to consume; the danger to economic progress of tight-money, high interest rate policies; the importance to the national economy of strong trade unions and effective collective bargaining that help to maintain consumer income at high levels during a recessionary decline; the key role of the unemployment insurance system in partially offsetting the effects of production cutbacks on family income; the potential role of prompt government action, in the form of stepped-up public works programs, to lift the economy when a recessionary decline begins.

### New Gap Developing

Unfortunately, these lessons apparently have not been learned. There is a threat of a renewed and developing gap between the economy's productive capacity and sales. In the 15 months between the recession low-point in early 1958 and mid-1959 approximately one-third of the increase in total national production has gone to corporate profits. At the same time, depreciation allowances have increased.

This sharp rise in the flow of spendable cash to business, particularly the large corporations, presents a danger of a new capital goods boom, despite continuing idle productive capacity. The buying power of per capita after-tax personal income in mid-1959 was only slightly greater than it had been three years before. Yet the Administration continues to emphasize the need for new incentives for business investment while it attacks wage and salary increases as an inflationary threat.

The tight-money policy has been resumed. Despite the persistence of widespread joblessness, interest rates have been pushed to levels as high as at any time in over a quarter of a century. A continued rise is expected.

Attempts to achieve much-needed improvements in the unemployment insurance system and federal financial aid for communities of chronic economic distress have been killed.

It took a sharp rise in unemployment to 7½ percent of the labor force in early 1958 to bring a temporary halt to the fear-

campaign against runaway inflation. The pause in this attack on economic growth was short-lived. Inflation again has been declared the nation's major problem. Restrictive economic policies have been reinstated to their prime status.

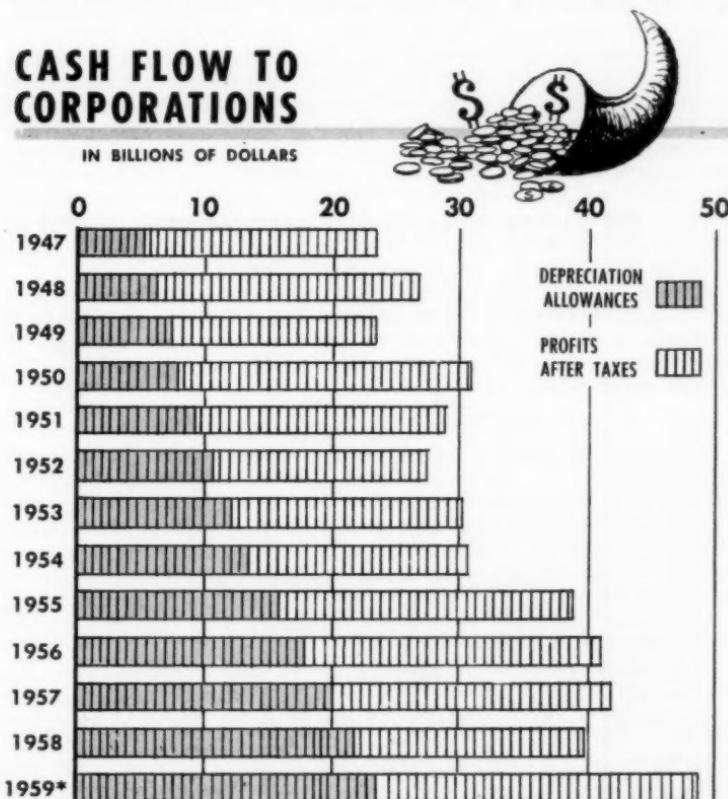
Output has risen above the pre-recession level, but unemployment persists at about 5 percent of the labor force. There is a real danger that the unbalanced and incomplete recovery of 1955-1957 will be repeated, with the possibility of another recession in the next few years.

### Balanced Economic Growth Is Needed

Domestic economic policy should be designed to promote balanced economic growth and to meet the nation's main problems

## CASH FLOW TO CORPORATIONS

IN BILLIONS OF DOLLARS



SOURCE: U. S. Department of Commerce

\*AFL-CIO Estimate

—adequate national security and the needs of a growing population—while permitting improvements in living conditions. A growth rate of 5 percent a year is also essential to provide enough jobs for a growing labor force, in a period of technological change and rising productivity.

Failure of the economy to grow at an annual rate of 5 percent in the years ahead probably will mean persistent joblessness, as well as increasing difficulties in meeting national defense and public service needs.

Students of national defense insist that the United States is inadequately prepared for the possible needs for conventional military equipment, as well as for medium-range and long-range missiles and for protection of civilian population centers.

The underdeveloped uncommitted nations, emerging from colonial domination, have vast needs for investment funds, development loans and technical aid.

There is a great backlog of unmet public service requirements in education, health, housing, urban redevelopment and community facilities. This backlog developed during the depression of the 1930s and wartime early 1940s, when funds were unavailable or goods were in short supply. Since the end of the war, inadequate federal, state and local programs have scarcely dented this backlog. A growing population has meant growing service-needs. The population is continuing to rise at a rate of over 50 million people in 20 years—from 139,000,000 in 1945 to 165,200,000 in 1955 and a projected 193,600,000 in 1965.

Rising productivity of about 3½ percent to 4 percent a year and a labor force growing more than 1½ percent a year make it possible to attain the necessary pace of economic growth. A slow rate of economic expansion can result only in continuation of idle manpower.

### **3½ Million New Jobs Needed**

The pace of rising manhour output means that the national economy must provide an average yearly increase of about 2¼ million new employment opportunities in private activities and in federal, state and local government employment in the coming years, if labor displacement is to be avoided. Output per man-hour in the entire non-government part of the national economy has been rising at an average yearly rate of 3½ percent to 4 percent since 1947, a rate which probably will continue in the years immediately ahead.

The labor force is increasing at an accelerating rate. An additional 1¼ million new jobs each year will be needed in the years ahead to provide employment for those who will be entering the labor force. The increased birthrate since 1939 is beginning to have an impact on labor force growth. Between 1950 and 1955, the labor force grew 860,000 a year. It is growing 940,000 a year in 1955-1960 and is expected to grow by about 1,250,000 a year, or an annual rise of over 1½ percent, in 1960-1965.

A growing labor force and rising productivity therefore require the creation of about 3½ million new job opportunities in private industry and government employment each year to sustain high levels of employment and generally prosperous conditions. To obtain this number of jobs, real national output should expand by 5 percent a year, or almost twice the rate of economic growth achieved in 1953-1959.

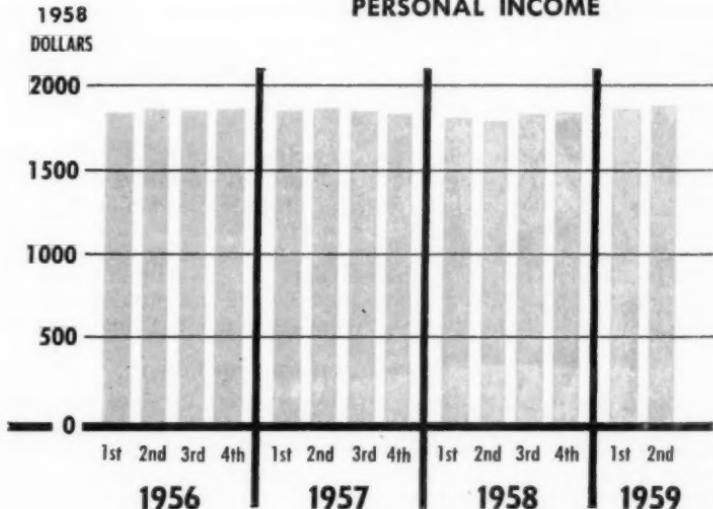
To attain the 5 percent per year growth rate, economic balance is required—balance between private activities and government policies and also within the sector of private activities. Since private activities account for 80 percent of the total economy, a key requirement is a continuing balanced relationship between the economy's ability to produce and its ability to consume.

#### **Higher Wages Needed for Buying Power**

Balanced growth of the nation's private sector can be sustained if consumer buying power and purchases continue to rise, as business investment and productive capacity increase. This requires continuing and adequate wage and salary increases, since wages and salaries account for three-fifths of total personal income.

### **LITTLE GAIN IN BUYING POWER**

**PER CAPITA AFTER TAX  
PERSONAL INCOME**



SOURCE: U. S. Department of Commerce

The consumer is the key to the economy's private sector. Family income is the major source of funds for purchases of consumer goods and services—about two-thirds of all purchases in the economy—and the source of home-building, which accounts for over 4 percent of all purchases. Consumer income and activities, therefore, are the base for almost 70 percent of all output and purchases in the national economy.

Continuing increases of wages and salaries are possible, with a reasonably stable price level. They can be granted out of the cost-reducing benefits of the economy's rising productivity and business profitability. Industries where efficiency is improving most rapidly can grant wage and salary increases and reduce their prices. Others, in which efficiency is rising slowly, may raise prices somewhat. Business profits can increase from narrow profit margins and a rising volume of sales.

Growing consumer markets based on rising wages and salaries and narrow profit margins have been part of the secret of the past success of American economic growth. They can provide much of the basis for a balanced and growing economy in the years ahead.

Booms and busts in business investment, however, present a danger that the national economy can become unbalanced with resultant recessionary declines. For balanced growth of the national economy, consumer activities and business investment must continue to rise together in balanced relationship with each other.

The major incentive for business investment is sales—the state of current and anticipated markets. Under normal conditions, a businessman's main consideration in buying new plant and machines is to expand potential output, at lower production costs, to meet current and expected demand for the goods produced by his firm.

When consumer markets are growing steadily, a continued rise in business investment that is based on present and anticipated market conditions can usually provide reasonable balance between productive capacity and sales. Excessive increases in business profits that provide insufficient consumer income and produce a short-lived investment boom, or government policies that stimulate short-lived, sharp increases in investment and the development of idle productive capacity can destroy that balance.

### **The Balance Wheel—Government Policy**

Since balance in private economic activities involves the decisions of thousands of businesses, millions of families and government policies, it is unreasonable to expect a continuing economic balance between productive capacity and sales to be achieved by itself. Government policy should act as a balance wheel—an economic gyroscope. Government tax, monetary and public investment decisions should be geared to provide full em-

ployment and economic growth. They should provide a continuing balance between growing consumer markets and increasing productive capacity. The President's Council of Economic Advisers should annually present to Congress and the American people the goals and objectives that should be sought in each economic sector in order to sustain balanced expansion and full employment.

The government sector of the national economy has a crucial role in economic development, although it directly accounts for only a small part of total economic activities. Federal, state and local governments have the function of meeting the needs of national security and public welfare. The federal government has the additional and key function of sustaining economic growth and complementing the private economic decisions of business and families.

If an unbalanced condition develops, and the economy is threatened by stagnation, it is the obligation of the federal government to boost production, jobs and family income promptly through stepped-up public works programs and/or tax cuts on personal income. In the event of a recession, the government should increase its public works programs—to create jobs, incomes and orders for construction materials—as soon as a decline begins. The government should maintain at all times a shelf of detailed public works programs on which work can be started promptly to prevent the losses of recurring recessions.

### ***Policies for Full Employment and Economic Growth***

A decisive change in economic policies is needed to meet national requirements during this period of cold war, population growth, rapid technological change and national aspirations of peoples in vast areas of the world who are emerging from colonial domination.

This is a time of challenge to free institutions. The challenge must be met, with faith in America's ability to maintain both freedom and expansion and to remain the free world's center of strength.

1—Continuing increases in wages and salaries are essential.

2—Cost-price-profit-investment policies of business, particularly the dominant corporations, should be based on lower unit profit margins to provide rising profits from a growing volume of sales.

3—The government's restrictive tight-money policy, with its resultant high and rising interest rates and curtailed pace of economic progress must be halted.

4—The self-defeating attempts to balance the federal budget at low levels of output and income should be ended.

5—Federal government assistance for economically distressed communities is required.

6—The unemployment insurance system should be perma-

nently improved by additional federal standards to extend duration and raise benefit payments to unemployed workers. Harsh disqualification provisions also should be removed.

7—Congress should extend the coverage of the Fair Labor Standards Act to millions of workers in retail and wholesale trade, services and large-scale farming, and should raise the minimum wage under the act from the present \$1.00 to \$1.25 an hour.

8—Through collective bargaining, as well as the Fair Labor Standards Act, a progressive reduction of the standard work-week should be achieved in the years ahead as technology continues to advance and reduces labor requirements.

9—The Social Security Act should be improved through increased benefits and medical care provisions for those who are eligible for old age and survivors' benefits.

10—A national and comprehensive effort, with federal leadership and financial aid, is required to meet the needs of a growing urban population—education, housing, urban redevelopment, health, community facilities, natural resources, roads and airports.

11—The government must be prepared in advance to move promptly should another recession occur.

12—The federal tax structure must be revised. The closing of loopholes and the establishment of a sounder tax base is essential if the government's revenue is to be raised fairly and equitably.

13—The national defense effort is in urgent need of careful examination in terms of the military requirements for the defense of the United States and the Free World.

14—Economic and technical aid for the peoples who are emerging from colonial domination should be considered as a major aspect of national policy by both the United States and the advanced nations of Western Europe.

15—Because the United States requires a variety of imports, as well as foreign markets for its products, the United States must continue to build its trade relations with other countries.

16—Extensive investigation and analysis of the price structure and its major sectors as a basic requirement for developing possible solutions to the problem of a slowly, upward-creeping price level in peacetime must be continued by the Joint Economic Committee of the Congress as well as by the Senate Subcommittee on Anti-Trust and Monopoly.

## Collective Bargaining Developments

There is a great diversity in collective bargaining situations and settlements across the country, but certain general observations are in order on bargaining developments in 1958 and 1959:

1—Unions have continued to achieve reasonable wage gains despite unfavorable economic conditions in 1958 and despite the

pressure of a mammoth industry campaign charging that union-negotiated wage increases are inflationary.

2—The refusal of unions to knuckle under and forego wage increases, or accept merely token raises, has benefited not only union members but the economy as a whole. The negotiation of wage increases in the face of the 1958 economic recession aided strongly in combating the recession. It was a factor in maintaining public confidence. The increases, offsetting much of the loss in income resulting from unemployment, helped maintain consumer buying power and thereby aided in checking the economic downside and in generating a needed upturn. Negotiation of increases in 1959 is carrying forward this support for growth of the economy.

3—Leading employers in some major industries have been intensifying pressure on unions in an effort to weaken their bargaining effectiveness. This is being reflected in more obstinate and unreasonable attitudes at the bargaining table, growing legislative attempts to cripple unions and in sharply stepped-up public relations propaganda programs. Nevertheless, the overwhelming majority of contracts have been renewed without resort to strikes. The figures show that less than one-quarter of one percent of work time has been lost due to work stoppages.

4—Union bargaining has focused not merely on higher wages but also on various benefit programs required for rounded improvement of workers' standards of living. Improvements have been negotiated widely in health and welfare protection, pension programs, employment security, and vacation and paid holiday time off.

### ***The Wage Picture***

The general economic recession in 1958 did not choke off wage increases nor touch off wage cuts as in some earlier periods of economic downturn. Unions did not panic into passing up wage raises.

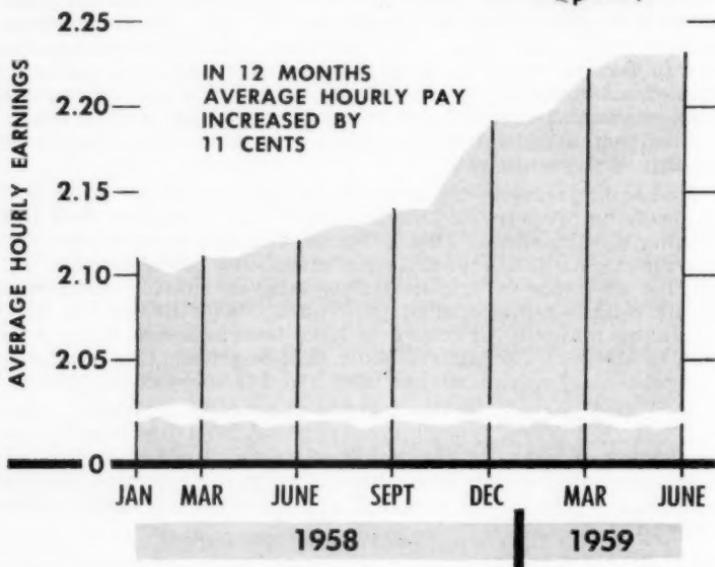
Except in the most sorely depressed situations, unions held out for wage increases large enough to make up for the increases in the cost of living which had taken place in 1957 and into 1958 and to provide for a reasonable real wage gain in addition. Most were successful in gaining such raises.

The most typical increases under union agreements in 1958 were 10 to 15 cents an hour, nearly half of which was needed just to regain buying power lost because of previous price increases.

In 1959, wage settlements are running from 9 to 15 cents an hour. With consumer prices relatively stable in the preceding year, these increases have been providing more of a real wage gain than in 1958. From the standpoint of the economy they have been serving to bolster demand and thereby to aid in the task of putting idle men and industrial capacity back to work.

In some major situations attracting national attention, indus-

## WAGE GAINS REFLECT UNION NEGOTIATIONS



SOURCE: U. S. Department of Labor

try has tried to sell the public the notion that wage advances are unwise because they would be "inflationary." This inflation-bogeyman campaign is short-sighted. It is a disservice to the nation.

Actually, inflation is not the foremost economic problem confronting the nation, and in any event it cannot be fought soundly by curtailing wage advances. As examined in greater detail in the preceding section of this report, the central concern of the economy should be the need for steady, healthy expansion. Such expansion requires widespread wage increases which play a vital, constructive role in building consumer markets to stimulate and support productive expansion.

The rapid increases in national productivity in 1959, accompanied by rising sales volume, are boosting industrial profits sharply and are permitting the negotiation of sizable wage increases without undue pressure on the price structure. Such wage increases are needed to support and fortify continuing and

accelerated economic recovery and growth. Restraints on wage improvements would be far more dangerous to our economy than any possible small price increases genuinely due to vigorous union wage bargaining.

### **Benefit Programs**

Trade unions also have been carrying forward efforts to gain for workers greater financial and health security and increased leisure time. The period since the last council report has seen a notable continuation in advances in security and leisure benefit programs.

Most unions have placed a high degree of emphasis on improvement of health and welfare benefit plans to protect workers and their families against the financial and physical strains of ill health and death. These plans provide hospital and medical care for workers and their families, pay to make up for wage loss during absence because of illness, and life insurance to aid the family on death of the worker.

Similarly, there has been a steady spread and improvement of pension plans to meet income needs after retirement.

To ease the financial problems of unemployment, many unions have been negotiating unemployment benefit plans providing for payments to supplement state unemployment compensation and/or plans for severance payments.

The supplemental unemployment benefit plans first negotiated in major industries such as auto, steel and rubber in 1955 and 1956, were put to their first extensive use during the widespread layoffs in the recession of 1958. This experience has amply demonstrated their value. They helped to soften the impact of layoffs for hundreds of thousands of workers. And they served helpfully to maintain consumer income at a time when such income support was greatly needed by hard-hit communities and a generally sagging economy.

Unions have also steadily been increasing the amount of desirable leisure time available to the typical worker. This is being accomplished through gradual lengthening of paid vacations and increase in the number of paid holidays.

#### **New Emphasis on Shorter Workweek**

Two-week vacations are rapidly being made the minimum annual vacation, with three-week vacations now increasingly normal after five or 10 years' service, and four-week vacations becoming customary for longer-service workers. At least seven paid holidays a year have also been made the general rule and a growing number of unions have been negotiating additional holidays to make eight or more.

For the period ahead, it is evident that another type of leisure, a shorter regular workweek, will increasingly be emphasized by many unions. Although vacations and holidays are valuable types

of leisure, they represent only slight reductions in average hours worked per week over a year.

A more substantial reduction in hours of work, through a reduction in workweek with the same or increased weekly pay, is being considered by many unions to go hand in hand with the rapid advances in technology and the decreasing use of manpower in their industries.

The experience with the widespread layoffs during the 1958 recession and the persistence of relatively high unemployment since then are prompting this interest in a shorter week. There is a growing conviction that a shorter workweek must be attained as a vital means of maintaining jobs and converting technical progress into increased leisure rather than into increased unemployment.

## Taxation and Budget Policy

During the past two years the budget policy of the U.S. government has become one of the major political issues casting its shadow over many different aspects of congressional and administrative policy.

The President, his Administration and the Republican Party have all joined in placing the need for a balanced budget above



All-night negotiation session hammers out new contract ending first ILGWU strike in dress industry in 25 years.

and beyond needed legislation affecting a variety of government activities. This partisan argument in behalf of a balanced budget has been a forceful factor in holding back legislative action for an expanded housing and urban redevelopment program, federal aid to education, government assistance for airport construction, roads, and natural resources development.

This preoccupation with budget balancing has slowed the pace of legislative enactments, eliminated or delayed needed legislative improvements and distorted decisions on vital national defense issues.

The appeal made in behalf of balancing the budget developed from the deficit that came with the 1958 recession. The government budget figures submitted in January 1959 showed the following information:

**BUDGET TOTALS**  
(Fiscal year in billions)

	1957 actual	1958 actual	1959 estimate	1960 estimate
Budget receipts .....	\$71.0	\$69.1	\$68.0	\$77.1
Budget expenditures .....	69.4	71.9	80.9	77.0
Budget surplus (+) or deficit (-) .....	+1.6	-2.8	-12.9	+0.1

The effect of the recession is clearly seen in the drop of receipts and rising expenditures for fiscal 1959 over the previous year. The apparent slight budget surplus for fiscal 1960 was made possible only by including potential revenue from the President's proposal for an increased gasoline tax and higher postal rates. The budget also reflected certain financial sleight-of-hand bookkeeping methods, one of which, for example, allocated a lump sum payment of \$1.4 billion to the International Monetary Fund to the fiscal 1959 rather than the 1960 budget.

While the budget surplus for 1960 appeared highly problematical at the time the President submitted his budget, the relatively quick upturn of the economy from the 1958 recession may actually produce a surplus by yielding even higher receipts for fiscal 1960 than were previously anticipated. Nevertheless, in both 1958 and 1959, it became necessary for the President to request and the Congress to grant increases in the ceiling placed on the public debt.

During the controversy over the budget the AFL-CIO has steadily emphasized the following points:

1—The deficit during fiscal year 1959 is to be welcomed rather than deplored. The deficit provided a great assist in containing the recession and stimulating the resulting recovery.

2—The necessity for maintaining a balance between receipts and expenditures of the federal government is important, but should be viewed over a period of several years. A surplus or deficit for any one specific year cannot be considered of crucial importance. What is of more importance is the relation of

expenditures to receipts over a period of several years, including periods of both recession and prosperity.

3—The exact current status of the budget should not be a decisive factor in opposing legislation otherwise necessary and desirable. Actually, the AFL-CIO program for legislative improvements would involve only a modest cost to the federal budget. In fact, the price tag on the entire 1959 legislative program would involve roughly an amount of only \$2½-3 billion, or about 3-4 percent of the federal budget.

4—There is more than one way of overcoming a budget deficit. While reactionary pressure groups advocate slashing government spending, it is important to point out the necessity for increased revenue to finance the cost of government services. If the national economy were growing at or close to its potential rate of growth, this by itself would assure steadily increasing tax revenues. While tax rate increases are never popular and would not be desirable in a recession, improvements in the tax structure including closing of numerous loopholes which would yield additional revenue are always in order, and the AFL-CIO has repeatedly argued for congressional action on this score.

### **No Action on Tax Loopholes**

In the field of taxation there has been relatively little congressional action in the past two years. In both 1958 and 1959, the tax rates on excises, including cigarettes, other tobacco products, and alcoholic beverages, and the 52 percent tax rate of corporate profits have been renewed. In 1958 Congress acted to remove the 3 percent excise tax on the movement of freight by rail. The AFL-CIO approved this action to eliminate one of the many regressive excise taxes. The AFL-CIO also continued its efforts to eliminate other regressive excises, including the 20 percent cabaret tax.

In the 1959 session, the bill to extend corporate and excise taxes was quickly passed by the House but in the Senate several amendments were added. These amendments would have ended the 10 percent excise tax on passenger travel and the 10 percent tax on telephone calls. The Senate also approved an amendment long favored by the AFL-CIO to eliminate the special 4 percent tax credit for dividend income.

In the resulting Senate and House conference, the Senate action was drastically modified. The amendment to eliminate the dividend tax credit was scuttled. Repeal of the 10 percent railroad passenger traffic tax was cut to 5 percent and its effective date delayed until July 1, 1960. The Senate action in cutting the 10 percent tax on telephone calls was softened to include only the tax on local calls and the effective date of this action also was delayed until July 1, 1960. Thus, Congress will have another opportunity next year to deal with these two excises.

Earlier this year, the House had passed a measure sponsored

by Rep. Eugene J. Keogh, to allow self-employed individuals a special tax deduction on contributions they would make towards their retirement income. The AFL-CIO strongly opposed this measure and testified against it before the Senate Finance Committee, pointing out how the benefits of the proposed bill would be concentrated among higher income business and professional individuals.

The House Ways and Means Committee has scheduled a series of hearings, beginning in November, regarding the general level of the tax structure. The committee's main target will be the large amount of income which at the present time is not being taxed under the income tax laws. The AFL-CIO for many years has been calling attention to this "erosion" of the tax base because of special tax privileges Congress has granted to particular groups in the economy.

Among the loopholes Congress has sanctioned are: the split-income provision, the failure to withhold taxes on interest and dividend income, the low rate at which capital gains are taxed, the special depletion allowances for natural resource industries, the provision for stock options and the preferential treatment given to dividend income as well as the more generous method of computing depreciation introduced by the 1954 tax law.

Elimination of these various tax-escape provisions is long overdue. If these steps were taken, the resulting additional revenue would enable the federal government to more adequately finance socially desirable services and to enact a long-deserved tax reduction for low and moderate income families.

## **Minimum Standards—Wages and Hours**

### ***Fair Labor Standards Act***

The AFL-CIO has pressed for improvement of the Fair Labor Standards Act through extension of its coverage to millions of workers still denied its protection and an increase in the minimum wage to \$1.25 an hour.

In the 86th Congress we have particularly supported S 1046, the bill introduced by Sen. John Kennedy and HR 4488, the companion bill introduced by Rep. James Roosevelt in the House. These bills would extend coverage of the act to 7.8 million workers now unprotected and would raise the outmoded \$1 minimum to \$1.25.

We have sought this legislation as a desperately needed means of easing the plight of millions of unprotected American workers still paid pitifully inadequate wages and subject to excessive hours standards. We have sought to update the outmoded \$1 minimum to keep in step with rises in the cost of living, advances in the productivity of the economy and the upward movement of wages generally. Such legislation, desirable for humanitarian reasons, would also strengthen the economy by improving the

"a floor below wages...  
a ceiling over hours...  
and a break for children..."



AFL-CIO and National Consumers League marked 20th anniversary of Fair Labor Standards Act to open drive to improve law.

buying power of the nation's lowest-income worker families.

Twenty of the unions most strongly concerned over the need for these improvements have formed a Joint Minimum Wage Committee as a special means of campaigning for this legislation. The committee has worked in conjunction with the AFL-CIO staff to marshal public and congressional understanding and support for the legislation.

Hearings on extension were held in 1956, 1957 and 1958, but no legislation materialized. This earlier consideration has built a foundation of knowledge and congressional awareness, however, which can serve to bring needed action in the current Congress.

#### Administration Offers Token Bill

The Administration is again seeking to prevent needed improvement. Secretary of Labor Mitchell has said the Administration favors S 1967, which is little more than a token measure. It would merely extend the existing \$1 minimum to some of the largest companies now uncovered, involving only some 2½ million workers, the great bulk of whom are already receiving at least \$1 an hour. This Administration proposal would continue to exclude even these workers from overtime pay requirements of the act.

The Administration has argued against substantial improvement in the act on the grounds that there might be an adverse effect on the economy. It has ignored the beneficial economic and humanitarian effects which would flow from minimum wage

extension and improvement. It has tried to spread the impression that there was an adverse employment effect when the minimum was increased to \$1 in 1956.

The study by the Department of Labor of the effects of the \$1 in 1956 actually shows that the \$1 minimum was easily taken in stride by the economy, that there was a remarkably smooth adjustment even in the South, the region most affected, and that the slight declines in employment which might have been attributable to the increased minimum wage in some of the lowest-wage industries were more than offset by increased employment stimulated elsewhere.

In the Senate, comprehensive hearings on amendment of the act have been completed by a Senate Labor subcommittee. President Meany presented our views in support of the Kennedy Bill. The House Labor Committee planned to hold hearings but had not scheduled them when this report went to press. (See Supplemental Report Page 376.)

Among other notable recent developments in the field of fair labor standards are:

1—The council has called for amendment of the act to provide for a 35-hour workweek to replace the 40-hour standard enacted in 1938 more than 20 years ago. We have urged such action as being made necessary, desirable and possible by the rapid technological changes which have been reducing the amount of needed manpower and presenting a threat of persisting and mounting unemployment. Although a number of bills have been introduced to achieve this objective, there has been no serious consideration of them in the first session of the 86th Congress.

2—Extension of the act to farm workers also has been urged on Congress and momentum is gathering for a determined effort to accomplish this great need. Bills have been specially introduced for this purpose by Senators Pat McNamara and Joseph Clark (S 1084) and Rep. James Roosevelt (HR 4947 and HR 4948) to extend coverage to over a million agricultural workers employed on large farms. These bills were not within the scope of the Senate hearings in May and June 1959, but efforts are being made to gain special consideration at hearings later in the 86th Congress.

3—The enforcement data provided by the Wage and Hour Division of the Department of Labor demonstrates the need for continuing vigorous action against violators of the act. During the year ended June 30, 1959, the department conducted almost 55,000 investigations for violation of the Fair Labor Standards Act. It found that some 178,000 employees were underpaid a total of over \$22.5 million under the minimum wage and overtime provisions of the act. Establishments in violation of the act agreed to pay about \$13 million in back pay to almost 124,000 workers who had been underpaid. Additional restitution of over \$1.5 million was made as a result of court action taken by the department.

4—Application of the minimum wage provisions to Puerto Rico was modified slightly by Public Law 750 passed in 1958 by the 85th Congress. It replaced the former annual review of the minimum wage in each covered industry with a biennial review. Representatives of our affiliates have continued to serve as labor representatives on tripartite industry committees which decide how rapidly minimum wages should be raised in various Puerto Rican industries.

### ***Walsh-Healey Public Contracts Act***

Under the Walsh-Healey Public Contracts Act, the Secretary of Labor is supposed to determine the prevailing minimum wage within various industries. Firms awarded government contracts are required to observe this minimum to assure that government work is not given to firms on the basis of substandard wages.

This program has continued to limp along at only a fraction of its potential effectiveness, however, so that many workers employed by government contractors continue to be paid wages substandard in their industries despite the Walsh-Healey Act.

Despite our efforts to gain improvement, determinations have been made for too few industries, have generally been unrealistically low when made, and then fall rapidly out of date without being updated. The procedures for making determinations have continued to be cumbersome and unduly time consuming. Delay of two to three years between initiation and conclusion of a determination proceeding has been common.

Sen. Margaret Chase Smith has introduced a measure, S 24, to repeal the Fulbright amendment to the act, which is responsible for much of the undue delay and legal entanglement in the wage determination procedures.

The Secretary of Labor is aware of the serious shortcomings in his administration of the Walsh-Healey Act. There have been signs, in several determination proceedings in the past year and a half, that the secretary was prepared to improve the program by using more realistic criteria and procedures in determining prevailing minimum wages. This effort at modest improvement has foundered, however, in the face of some industry outcries.

After announcing in March 1959 proposed determinations for the paper and pulp industry and the fabricated structural steel industry, the secretary delayed in making the determinations final. When various companies in these industries protested that the proposed determinations were in effect "too high" for them, the secretary backtracked to "re-examine" the matter and in effect watered down the proposed determination through continued delay in making it effective—even though well over a year had passed since conclusion of the public hearings on which the determinations were supposed to be based.

### **Davis-Bacon Act**

Legislation has been introduced in the 86th Congress to extend the Davis-Bacon Act to all projects paid for wholly or in part by the federal government or covered by federal insurance or guarantees and to include fringe benefits and supplementary cash payments in the prevailing standards protected by the law. Bills seeking these objectives have been introduced by Sen. Hubert Humphrey, S 1119, and the companion bill introduced by Rep. John Fogarty, HR 4362.

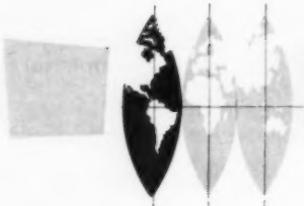
Other bills introduced to amend the Davis-Bacon Act are:

HR 890 Rep. Thomas M. Pelly and HR 3333 Rep. Don Magnuson. These bills are designed to extend application of the act to federal contracts for the demolition of existing buildings.

HR 4170 Rep. Peter F. Mack, Jr. This bill would make the act applicable to certain contracts under which a building is to be constructed or altered and leased to the United States.

HR 5869 Rep. George P. Miller. This bill would extend the provisions of the act to certain contracts to provide services.

No action has been taken on these proposals.



## International Relations

### International Situation

Since the 1957 AFL-CIO convention the world situation has deteriorated gravely. Mankind is now confronted by the most serious crisis in the 14 years that have elapsed since the end of World War II.

This marked deterioration is due primarily to increased Soviet aggressiveness. The Kremlin rulers believe that the balance of power has shifted in their favor and that they can, therefore, step up their drive for international Communist subversion and Soviet world domination.

When our second convention met, the world was under the impact of Sputnik and Soviet scientific and technological advances. We recognized the ominous significance of these achievements under a totalitarian dictatorship bent on world conquest. While warning against panic, the convention emphasized the threat this increased Soviet strength implied to the free world. We noted the danger of the western democracies losing their military superiority. We pointed out that Moscow was utilizing increasingly its progress in the realm of missile and nuclear technology for diplomatic blackmail and pressure, imperialist penetration, and threats of military aggression.

Subsequent events have also confirmed the correctness of the 1957 convention in stressing that the re-establishment of one-man rule in the USSR and the consolidation of Soviet domination over the captive nations would embolden the Kremlin regime and strengthen its appetite for further aggression.

Against the background of these developments, our last convention proposed that our country should spare neither effort nor energy to safeguard world peace and human freedom by stepping up military preparedness; strengthening the free world militarily, economically, and politically; speeding the end of all western colonialism; augmenting free world aid to the economically underdeveloped countries; redoubling efforts to end the crisis in the Middle East, and increasing the effectiveness and authority of the United Nations.

As world tension was mounting, the Executive Council declared at its February 1958 meeting that:

"The Soviet Union has launched an intense diplomatic and propaganda campaign aimed at exploiting its vast progress in military technology for advancing its basic aim of world conquest and Communist enslavement."

This Kremlin campaign included demands for: "summit meeting" to have the free world recognize the Soviet annexations in Europe; the dismantlement of NATO; and the establishment of a so-called neutral belt in the heart of Europe.

The council warned against the pitfalls of this Soviet "disengagement" maneuver. It called for implementation of the Yalta Agreement on free elections in the captive countries and demanded that Moscow finally consent to German national reunification in freedom. The council further proposed a program for strengthening the free world, an international economic conference to bolster free world prosperity, a pilot irrigation project along TVA lines in the Sudan, UN-controlled disarmament, etc.

In May 1959, in the face of the mounting vicious campaign by Moscow against the free world, the council thus voiced its deep concern over the wishful thinking in certain quarters regarding the problem of disarmament:

"Our defense and the safety of the free world require the reaffirmation of our belief that:

"(a) There is no evidence that any change has taken place in the objectives and methods of world Communism; on the contrary, there has been a return to one-man dictatorship and a tightening of the Soviet grip over its satellites.

"(b) No considerations of truth, consistency, or honor govern the behavior of the Soviet government representatives in their so-called peace offensive and in any negotiations which may take place."

The council underscored that Moscow alone was responsible for the lack of real progress towards disarmament—despite extensive international negotiations. Given this failure to set up a genuine worldwide disarmament system embracing nuclear and all other weapons of mass destruction, under UN supervision, the council urged the United States government to "reinforce both the conventional and nuclear elements in the basic NATO defense system and continue its policy of acquiring missile bases abroad and strengthening the Strategic Air Command in order to maintain a strong deterrent against aggression and to preserve peace."

### ***The Soviet Economic Challenge***

Careful consideration has been given to the Kremlin's economic challenge—another important phase of the Soviet drive against the free world. This aspect of the Soviet threat was examined in a series of articles and addresses by President Meany.

The American Federationist August 1958 article "United States and Soviet Economy—Contrast and Comparison" drew considerable attention and aroused, in particular, the ire of the Kremlin's top ideologists. On the occasion of the 30th anniversary of the first Five Year Plan, Oct. 26, 1958, TRUD, central organ of the Soviet "trade union" federation, issued a special supplement seeking to refute President Meany's evaluation and conclusions.

President Meany's address "Countering the Kremlin's Economic Offensive" delivered before the Executives Club of Chicago on Sept. 5, 1958; "Reply to TRUD," AFL-CIO Free Trade Union News, January 1959; and the transcribed address of April 7, 1959 on "Kremlin Uses Trade as Weapon for Communist World Domination" have aroused worldwide interest and correspondence.

In this connection, the Department of International Affairs, in cooperation with the Assembly of Captive European Nations, also organized a pictorial exhibit "Soviet Empire 1917-1958" in Washington's Union Station. This display stirred nationwide interest and brought a vociferous blast from TRUD.

### **Crisis Over Berlin**

At its February 1959 meeting in San Juan, Puerto Rico, the Executive Council reviewed the Berlin crisis which was provoked by the Soviet ultimatum of Nov. 27, 1958. It declared:

"West Berlin is the first target in the Kremlin's renewed drive to extend Communist despotism in Europe . . . The Soviet aims to destroy Berlin as a symbol of freedom . . . The real issue is not whether documents for travel between Germany and West Berlin are to be stamped by Soviet authorities or their East German puppets . . .

"The real issue in the Berlin crisis is that the future of the entire German people is bound up with the fate of West Berlin. Since the fate of the German people decisively determines the fate of all of free Europe, it is the future of freedom and peace that is at stake in the Berlin crisis . . .

"Neither the freedom of West Berlin, nor the freedom of the fifty million people of West Germany can be objects of international bargaining. In the interest of their own security and self-preservation, the democracies cannot accept any reunification of Germany which is not reunification in freedom through U.N.-supervised free elections."

At this meeting, the council again warned against the policy of so-called disengagement as a solution for this crisis. Among the proposals made by the council for thwarting Moscow's expansionist aims in Berlin, were: holding a free and democratic plebiscite under UN-supervision "to enable the German people themselves to choose freely between the western plan for reunification in freedom and Moscow's plan for a so-called Ger-

man Confederation;" taking "all measures necessary for maintaining free access to West Berlin and the uninterrupted flow of supplies for the Allied forces and the well-being of its people; submitting the German issue to the UN should Big Four negotiations on German unity fail again."

#### **Meany, Eisenhower Letters**

After it became known that, in his meeting with former Gov. Averell Harriman, Khrushchev stated that the American workers did not support the United States government position in the Berlin crisis, President Meany wrote President Eisenhower on July 14, 1959 declaring in part:

"Mr. Khrushchev's statement is a deliberate misrepresentation of the facts rather than a mere misconception 'concerning the United States.' Khrushchev knows very well that several months ago, American labor publicly pledged its support of every effort by our country and its NATO allies to save the freedom of West Berlin . . .

"Furthermore, no American citizen or organization has authorized or requested Mr. Khrushchev to speak in behalf of labor or any other section of the American people. In fact, we are completely convinced that free elections in the USSR would show that Mr. Khrushchev does not speak even for the workers of his own country.

"In this critical situation confronting our country and all mankind, I assure you, Mr. President, that American labor is solidly with you in seeking to rally our own and all other liberty-loving nations for joint all-out efforts to preserve the freedom of the people of West Berlin, to promote the reunification of Germany in freedom and just and lasting world peace."

President Eisenhower, in reply, wrote on July 15, 1959:

"Thank you very much for your letter of yesterday. For a long time I have been keenly aware and appreciative of the firm stand taken by the AFL-CIO in support of the government's refusal to abandon either the free people of West Berlin or our rights and responsibilities respecting that city.

"Your present letter should convince everyone, including the Soviets, that in the United States labor is free—and because it is free, it is part of the decision-making process in our country. When free citizens form their conclusions and convictions on matters that affect America's international position, they cannot be divided on the basis of vocation, creed or partisan politics. The efforts of any outsider to divide America are bound to fail when the basic beliefs and the vital interests of this nation are at stake.

"I am grateful for your letter because even though I have had no doubt in my own heart or mind of AFL-CIO solidarity in this matter, I salute your entire membership for reaffirming this solidarity before the entire world.

"With warm regards."

## **Mutual Security Program**

On Mar. 23, 1959, in line with the policy of the Executive Council, President Meany appealed to every member of Congress for support of the mutual security program proposed by President Eisenhower for the fiscal year 1960. President Meany urged support of this program in the interest of national defense, and in order to bolster the free world against the intensified Kremlin offensive against human freedom and world peace.

This appeal also emphasized that adoption of President Eisenhower's mutual security program was essential for meeting the Soviet economic offensive—especially in the industrially underdeveloped countries—and indispensable to America's efforts to meet the Soviet threat in Berlin.

## **Communist Aggression in Asia**

On Apr. 3, 1959, President Meany issued a statement condemning the brutal military attack by the Communist hordes of Peiping imperialism against the people of Tibet. This statement said in part:

"The ruthless crushing of the people of Tibet exposes the utter fraud of the Communists' pretensions to liberalization and peaceful co-existence . . . This rape of a peaceful country . . . proves that conquest and absolute control are the objectives of Communist policy everywhere . . . The free peoples of the world must make known their sympathy with the brave struggle of these independent and indomitable people. It is to be hoped that the free world will respond in more effective fashion than it did in the Hungarian case."

President Meany joined the Emergency Committee for Tibetan Refugees as a sponsor representing labor. This committee has already sent substantial financial and medical aid to the Tibetan refugees in India.

By exploiting the divisions and weaknesses in the democratic camp, the Communists were able to take over the government of Kerala. Once in control, the Communists planned to utilize this state as a base from which to extend their domination throughout India.

With utter contempt for their own campaign pledges and the will of the great majority of the people, the Communists proceeded to exert party control over the schools and police. To overcome the resulting mass discontent the Communists resorted to massive terror. They arrested more than 20,000 and killed at least 15 workers, peasants and intellectuals during various demonstrations of protest against the oppressive Communist regime.

When the Communists were no longer able to govern except by destroying the Constitution of the Republic of India, the

national government, after a thorough investigation, acted to restore the democratic rights of the people by taking over Kerala and preparing for a new election.

The way is now clear for the restoration of the security of the individuals, free trade union rights, and the unity of the democratic forces in building Kerala into a healthy and prosperous state.

### ***Murder of Imre Nagy***

On June 17, 1958—five years to the day after the heroic revolt of the people of the Soviet Zone of Germany against their Russian oppressors and their Communist puppet regime—the Kadar “government” in Budapest announced that it had executed Imre Nagy, Pal Maleter, and two other courageous leaders of the Hungarian democratic revolution.

The free world was profoundly shocked by this criminal and cowardly murder of men who fought so bravely for the national independence and human rights of their people and the security of whose lives was pledged by the Soviet Army Command, after they were tricked to leave their asylum in the Yugoslav Embassy in Budapest.

On this occasion, President Meany issued a statement assailing these murders as having been perpetrated under direct orders from the Kremlin. He called upon Congress “to adopt a joint resolution condemning this latest callous and flagrant violation of international law.” President Meany also urged that the UN Special Committee on Hungary should “immediately look into this crime and recommend appropriate action by the General Assembly against the Soviet, Hungarian, and Roumanian governments for their shameful violation of the UN Charter and Declaration of Human Rights.”

In response to the above declaration, the Senate and House promptly adopted vigorous resolutions condemning this Khrushchev-Kadar outrage against humanity.

After the UN Special Committee on Hungary had issued its “special report” on the arrest, trial and execution of Nagy and his aides, we called upon the Thirteenth General Assembly of the United Nations to act on Hungary and not to seat the Kadar delegation. In his radio address on Oct. 23, 1958—the second anniversary of the Hungarian revolt—President Meany said in part:

“Rejection of the credentials of the Kadar regime would constitute a fitting condemnation of the present Hungarian regime and its criminal acts by the United Nations and the entire civilized world. It would, at least, give moral support to the downtrodden Hungarian people. Certainly, it would offer new hope and inspiration to the people of other captive nations who still live in the hope of some day being free.”

The United Nations General Assembly approved the "Special Report." Unfortunately despite all our efforts, it failed to act on the credentials of the Kadar delegates.

### ***Upheaval in the Middle East***

The Executive Council has continued its keen interest in developments in the Middle East as an area vital to international peace and social progress. The last convention had warned the free world that "what must be taken into account are the genuine aspirations of the mass of people in that entire area for self-fulfillment rather than the selfish demands of anti-democratic, anti-labor, feudalistic regimes."

After a protracted bitter civil war in Lebanon and aggravated unrest in Jordan—undoubtedly at least stimulated by outside forces—the explosive Middle East situation took a dramatic revolutionary turn. On July 14, 1958, the despotic feudal monarch of Iraq was overthrown. The full impact on the entire Middle East is yet to be felt. In evaluating this historic event and fatal blow struck against feudalism in this pivotal area of the world, the Executive Council expressed, at its August 1958, meeting, the hope that:

"The Republic of Iraq will be able to maintain its national independence and territorial integrity, that it will shun all dictatorial ambitions and manifestations and seek to develop democracy, social justice, and peace throughout the Middle East."

In retrospect, it is clear that the landing of United States marines in Lebanon, upon the request of its government, not only helped bring to a conclusion its destructive fratricidal war, but also served to create a situation in which outside forces were discouraged and deterred from falling upon Iraq in its hour of revolution and, in one form or another, destroying its national independence and territorial integrity. But while expressing its approval of the landing of United States Marines in Lebanon and British forces in Jordan, the council warned, that "these temporary military measures . . . do not by themselves constitute the answer to the political, economic and social problems confronting the Middle East."

The council proposed a program for "ending the crisis and promoting peace, freedom, and social progress in this vital region." This program called for the establishment of a UN Commission to Preserve Peace in the Middle East, accompanied by a UN military force to control military establishments in that region; a conference of the various Middle East governments to be held under UN auspices in order to achieve a permanent peace; a UN program for improving the living standards and purchasing power of the peoples in this region and assuring them an equitable share in the oil benefits of their countries.

## **Struggle Against Colonialism**

The 1957 AFL-CIO convention reaffirmed American labor's traditional support of "the aspirations of all colonial and oppressed peoples to national and human freedom." It emphasized anew the opposition of American labor to "all colonial oppression and exploitation—on both sides of the Iron Curtain." The convention urged all democratic powers to abandon colonial policies and appealed especially to Great Britain to grant self-determination to the people of Cyprus and to France to begin negotiations for granting independence to the Algerian people.

In the course of its war against Algeria, the French Air Force bombed the Tunisian village of Sakiet-Sidi-Youssef. Scores of civilians—among them women and children—were killed. In February 1958, the council sharply condemned this attack and urged the United States government "to make every effort to have the French government, the governments of Tunisia and Morocco, and representatives of the Algerian National Liberation front confer immediately . . . for the purpose of arriving at a just and peaceful solution of the Algerian problem."

Since the last convention, the council has persistently sought—through mobilizing public opinion, urging our government and friendly governments in the UN and through the International Confederation of Free Trade Unions—to hasten the day of a just settlement of the Algerian issue based on the right of the Algerian people to independent nationhood and as a part of a North African democratic federation in friendship with France.

There has, in the meantime, been achieved a satisfactory solution of the Cyprus problem. But the Algerian war continues to grow in intensity and bitterness with the situation deteriorating dangerously. This provides fertile soil for Communist subversion of the heroic Algerian struggle and opportunities for intrusion by Soviet imperialism with the possible consequent result of all North Africa falling under the yoke of the most ruthless colonialism in modern history.

### **Developments in Africa**

Within the last two years, Africa has become a dramatic focal point of world attention. The tempo of evolution towards national independence has been greatly stepped up on what was once called the "Dark Continent." By 1960, Africa will have 14 independent countries. In February 1959, the council said:

"The political awakening of Africa, the strivings of its peoples for self-government and economic and social progress, should receive the active sympathy and wholehearted support of the American people."

In this spirit, the Executive Council urged our government:

"1—To use every effort to persuade our European allies that the survival of the free world requires that the African peoples



AFL-CIO Vice President George M. Harrison, a member of U.S. delegation to United Nations, voiced labor's views at UN.

attain independence as rapidly as possible; to inform our allies frankly that the United States intends to assist the African peoples to achieve their objectives by peaceful and orderly means;

"2—To recognize these new states speedily after their creation and to extend to them the fullest cooperation;

"3—To develop as speedily as possible programs of economic and technical assistance to promote social progress and create viable democratic institutions;

"4—To promote through the UN, and especially in the Trusteeship Council, social and economic development leading to early independence for territories under its care;

"5—To strengthen greatly our diplomatic missions throughout Africa, recognizing the importance of the labor factor in the new states, to increase the Labor Attaché Corps . . . ;

"6—To promote the Exchange-of-Persons Program in the area with particular emphasis on the participation of labor in this program."

We likewise urged the ICFTU "to expand greatly its activities in Africa." The council warned that "the longer colonialism lasts, the greater is the danger of Communist penetration."

On the occasion of African Freedom Day—April 15, 1959—President Meany sent a message to the New York City mass meeting held to celebrate that day and conveyed "on behalf of the AFL-CIO and its millions of members our warmest greetings and pledges of international solidarity to all Africans who have already gained their freedom and to those who are still struggling to achieve their full rights of self-determination."

The apartheid policy of the South African government was

sharply condemned by the AFL-CIO on several occasions. At its May 1959, meeting, the council declared:

"The organized labor movement of America is deeply disturbed at the continued and increasing denial of human rights to the non-white four-fifths of the population in the Union of South Africa. . . .

"We of the organized trade union movement strongly condemn the apartheid policy of the South African government and particularly its oppressive attitude towards non-white labor. The Executive Council of the AFL-CIO pledges its support to the victims of political persecution in the South African Treason Trial, and calls upon American organized labor to rally to their assistance in every way possible."

The upsurge in our activities in Africa has been highlighted by the AFL-CIO European representative's participation in the Accra "All African People's Conference" and the Conakry UGTAN congress which took place this year. This led to a whole series of reports and proposals which have contributed to reinforcing and speeding up the activities of the free labor movement in attempting to maintain and expand the free labor movement in this part of the world.

As a result of these investigations and contacts in Africa we have been in a position to report quite extensively on what is happening there and to indicate that, although there are many risks and dangers, there are, at the same time, tremendous opportunities for the free world, and especially for the American trade unions, to assist in bringing about decolonization within the framework of a free, independent and democratic society.

All of the activities and the conferences that have taken place in recent years in Africa highlight the fact that trade unionists play an important and sometimes decisive role. Just one example to indicate this salient point is the fact that both Tom Mboya and John Tettegah, leading trade unionists from Kenya and Ghana, played leading roles as chairman and assistant secretary, respectively, of the All African People's Conference.

In addition, what is important for American labor is the fact that in spite of all the criticisms that may be made of American policy and of some of its perhaps inevitable drawbacks, American unions still have a tremendous reserve of goodwill and can still have an important role in assisting and advising those who are attempting to build not only free trade unions but a free Africa.

### **Franco Spain**

In accordance with its principle of rejecting all dictatorships—whether, Communist, Fascist or military—the AFL-CIO has continued its vigorous opposition to the totalitarian Franco regime in Spain.

In May 1958, the Executive Council again made it clear that: "The long standing opposition of the American trade unions to Franco totalitarianism is not modified by any military or economic arrangements made between our government and the present Spanish regime."

In a message to Pascual Tomas, general secretary of the Spanish Union of Workers (UGT) in Exile, for transmission to the underground free trade unionists in Spain, President Meany saluted "the brave men and women who fight for freedom and democracy inside Franco Spain." He assured them of the "wholehearted solidarity" of American labor and pledged to them "our most energetic efforts to help hasten the day when a genuine and mighty trade union movement of democratic Spain will be in the front ranks of free world labor, the International Confederation of Free Trade Unions."

In view of the unrelenting police persecution of democratic elements by the Franco regime, the council, in February 1959, called upon the United States government:

"To make known to Franco that American labor condemns his brutal program of totalitarian oppression and that its continuation can only lead to growing opposition among the American people to further economic aid from the United States to a government which oppresses the Spanish people."

### **The United Nations**

President Eisenhower named Vice President George M. Harrison, chairman of AFL-CIO Committee on International Affairs, to serve as a member of the United States Delegation to the Thirteenth Session of the United Nations General Assembly. This appointment of an AFL-CIO officer for the second year in succession was a tribute to the effective interest and activities of the AFL-CIO in the field of international affairs. As in the Twelfth General Assembly where President Meany had served, the designation of Vice President Harrison stimulated and expanded AFL-CIO support of and contributions to the constructive activities of the UN and the influence of free world labor therein.

In the course of his distinguished and indefatigable service in the United Nations, Vice President Harrison, as a member of the United Nations Special Political Committee, contributed decisively towards a shift in American policy regarding apartheid. Hitherto, our government had abstained on this burning issue. This time, Vice President Harrison led the fight for adoption of the resolution sponsored by 31 nations deplored the racist policies of the government of the Union of South Africa and calling upon it "to observe its obligations under the Charter of the United Nations."

In his address on "Peaceful and Neighborly Relations among

States," Vice President Harrison made a comprehensive and scathing exposure of the fraud of the Soviet campaign for "cultural exchange" by bringing to light startling facts about Moscow's extensive radio jamming and rigid press censorship systems. This address drew heavy Soviet fire and received world-wide attention.

#### No Trade Union Delegations to Dictatorship Countries

In view of the increased efforts made by the Kremlin to lure the workers of the free world into accepting the Communist state company unions, the Executive Council, at its meeting in February 1959, issued a statement branding as an outright deception Moscow's claim that the Soviet Union is a workers' state, denouncing the so-called trade unions in the USSR as subservient to the Soviet government and reiterating:

"Its opposition to the idea of free labor sending delegations to any country which prohibits free trade unions, outlaws all free trade union activities and penalizes workers for advocating free trade unionism—whether such country be Communist or Fascist or any other totalitarian hue."

In the spirit of this resolution, AFL-CIO Vice President Reuther rejected, on May 7, 1959, an invitation to meet in East Germany with officials of the Communist-dominated WFTU. Vice President Reuther denounced the WFTU as "a tool and colonial agent for the foreign policy of the Soviet Union."

#### *The Struggle for Democracy in Latin America*

The downfall of the dictatorships of Perez Jimenez in Venezuela and Batista in Cuba, the riots during Vice President Nixon's tour in South America, and the greater participation of the U.S. government in cooperation with other American republics in financial and economic projects for the economic development of Latin America, have completely changed the political panorama of the Western Hemisphere since our last biennial convention in Atlantic City.

The Executive Council, meeting in Miami Beach in February 1958, "rejoiced with the people of Venezuela on the overthrow of the bloody dictatorship of General Perez Jimenez." The statement recalled that for years the AFL-CIO has "extended its support to the fighters for freedom in Venezuela" and further pledged to support the labor movement and the people of that country "to regain in full measure the democracy and liberty to which all people are entitled."

In May 1958, President Meany, at the request of the free labor movement of Colombia, urged the U.S. government to grant financial help to the democratic government of Colombia which

was "on the verge of a very serious economic catastrophe" as a result of the drop in the price of coffee, Colombia's main export commodity.

In October 1958, following the imposition of import quotas on lead and zinc, which had caused unemployment and hardships in Peru, Mexico, and other exporting countries, President Meany issued a statement in which he urged the U.S. government to repeal the quota "at the earliest possible date" and called upon Congress "to take immediate action when it reconvenes."

### The Struggle in the Caribbean

The council, meeting in San Juan, Puerto Rico, in February 1959, issued a statement analyzing the struggle for democracy in the Caribbean area. The council expressed its satisfaction at the overthrow of the Cuban dictator, Batista, and offered its cooperation to the Cuban labor movement "in whatever effort might be required to maintain it free, independent, and democratic."

It also called on the Duvalier regime of Haiti "to restore political rights and freedom of press and assembly as well as the return of the National Union of Haitian Workers (UNOH) to its legitimate leaders who were illegally deposed by government interference and police intervention."

The council also urged the Organization of American States (OAS) "to isolate diplomatically the Dominican Republic, as well as other dictatorships, by suspending their membership until such time as a democratic regime, freely elected by the people, is installed in their place."

Branding the Trujillo dictatorship as not only a "blot on the honor of the American family of nations but a constant threat to the peace of the hemisphere," the council urged the U.S. government to take the lead in the OAS to bring such needed action against the Dominican Republic and the other dictatorships.

Another statement adopted at the same meeting of the council called upon the U.S. government "to refuse to admit to our country former dictators such as General Batista of Cuba and General Peron of Argentina," and also called upon our government to cooperate with the governments of the friendly democratic republics of the Western Hemisphere "to recover properties and money stolen from the public treasury and sent or brought to the United States by former Latin American dictators, their supporters, or their agents."

Adopting the recommendations of the AFL-CIO Committee on Inter-American Affairs, the Executive Council "called on the United States for more substantial aid in the development of the economic needs of Latin America and prompt steps to stimulate a more rapid improvement of living standards and economic growth."

## **Intl. Confederation of Free Trade Unions**

Throughout 1958-1959 the AFL-CIO participated vigorously in the ICFTU, with which we have been affiliated since it was founded in 1949. We continued our efforts to strengthen the international organization of free labor and to assist it in the vital task of defending trade unionism throughout the world.

Through our representatives on the ICFTU Executive Board, the International Solidarity Fund Committee, the Finance Subcommittee, and other subcommittees, the AFL-CIO endeavored to ensure the adoption of policies and programs capable of promoting the welfare of free labor everywhere.

Immediately after the last convention, the AFL-CIO representation on the ICFTU executive bodies was reorganized. President Meany and Vice President Walter P. Reuther continued as the members. Secretary-Treasurer Schnitzler and Vice President George Harrison were named as alternates for President Meany. Vice Presidents David J. McDonald and James B. Carey were named as alternates for Vice President Reuther.

The AFL-CIO European Office in Paris, through its European representative, has in the last two years since the Atlantic City convention, acted in the main as the coordinating center for the AFL-CIO members and substitutes to the Executive Board meetings of the ICFTU. This has entailed his attendance at all of the Executive Board, subcommittee, Finance Committee and Solidarity Fund Committee meetings that have taken place. When members or/and substitutes have been present he has acted as their assistant and adviser. When any or all of the members or substitutes were absent he has acted in their place with full power to speak and vote. At these top meetings of the ICFTU our actions have been concentrated on attempting to strengthen the ICFTU's activities along the following major lines:

1—To press forward in a militant fashion for the formation of unions in areas where no organizations exist or are weak. This is primarily in the underdeveloped and especially colonial areas.

2—In maintaining a firm, unyielding position on the fight against totalitarianism and for the advancement of free trade unionism as an organized movement everywhere.

Our European representative also was a member of the ICFTU mission to India in the early part of 1958 which led to the development of a whole series of programs which are now being worked out in India with the support of national centers, especially the AFL-CIO and through the International Trade Secretariats.

The ICFTU's programs of workers' education and organization drives registered a number of successes, and, at the committee meetings held in Berlin at the end of June 1959, it was reported that the ICFTU now has 131 affiliated organizations from 96 countries, with a total membership of about 56 million.



Pres. Meany (arrow) is absorbed in documents at Brussels meeting of International Confederation of Free Trade Unions.

### World Economic Conference

In the July 1958 meeting of the ICFTU Executive Board, the AFL-CIO representatives, Vice President Carey and Secretary-Treasurer Schnitzler, urged that the ICFTU call a World Economic Conference, particularly dealing with the problems of unemployment and world economic growth. This conference was eventually held in Geneva in March 1959, the AFL-CIO being represented by Secretary-Treasurer Schnitzler and Vice President Carey, assisted by Stanley Ruttenberg.

The conference urged that restrictive business and governmental practices should not be allowed to impede the economic growth of the industrial world which is required in order to assist in the development of the lesser-developed areas.

The ICFTU's Asian College in Calcutta, which was established in November 1952, has now been joined by a second regional college opened in 1958 in Kampala, Uganda. The first course of 32 students from 12 different African countries was inaugurated in November 1958 and concluded in February 1959. The AFL-CIO, having decided to limit its own African training program after inviting three African trade unionists from Kenya, Tanganyika and Uganda, contributed generously to the setting up and functioning of the newly established ICFTU Kampala

College. Appropriations from the International Solidarity Fund have now made it possible to draw up plans for a permanent college building in Kampala, the construction of which is now underway.

Representatives of the AFL-CIO attended a number of conferences in Africa and rendered services to the cause of democracy, national freedom, free trade unionism and the ICFTU in Africa.

### **New Challenge in Asia, Africa**

The organizational and educational programs required in the lesser-developed areas of the world—Africa and Southeast Asia—have created new challenges to the ICFTU and have made new demands on its resources. The response of the ICFTU to this situation has raised doubts among many of its affiliates as to whether it is adequately equipped and directed to accomplish the tasks which have devolved upon it. It is becoming apparent that corrective measures are necessary to enable the organization to carry out the obligations facing free world labor today.

The great changes in the international situation since the ICFTU was formed 10 years ago and the new Soviet-Communist tactic of soft-peddalling the WFTU and encouraging instead the creation of "neutral" regional organizations call for a critical re-examination of the programs of work the ICFTU plans to carry out in Africa, Asia and Latin America, of the budgets allocated for organization, education and administration, and of information on staff requirements and the structure to implement these programs.

The Sixth World Congress of the ICFTU will be held in Brussels in December 1959. At this 10-year anniversary Congress, the AFL-CIO believes that serious efforts must be made to reinvigorate and rededicate the ICFTU to its indispensable world role.

### **International Trade Secretariats**

Another important activity has been in connection with the problem of American trade union affiliation to the International Trade Secretariats. Over the years, the AFL-CIO European representative has played an active role from the very beginning in pushing for and helping to bring about such affiliations. In the past two years, he has especially worked in relationship with the Food, Building Trades, Printing industry and Entertainment trade unions.

For the past year especially he has represented a number of the entertainment unions of America abroad at various conferences and in relationship with European unions. As a result of these activities, there is reason to believe that within the near future, either this year or next, a new international trade secretariat may be created covering all of the sectors of the entertainment industry inclusive of film, television, radio, music, etc.

An important number of AFL-CIO affiliates have continued and increased their participation in the work of their respective international trade secretariates. Our affiliates have been particularly active in the International Transportworkers Federation, International Metalworkers Federation, International Union of Food and Drinkworkers, Post, Telegraph and Telephone International, Public Service International, International Federation of Petroleum Workers.

The AFL-CIO affiliates of the PTTI have concentrated on strengthening the free trade union movement in Latin America. In particular, these unions have established a training program at Front Royal, Va. At present 16 students from 10 different Latin American countries are studying here for three months. They will return to their own countries and for nine months they will work on organizing and training their fellow workers at home. It is hoped this program will be expanded in the future.



**U.S. delegation took major part in meeting of Inter-American Regional Organization of Workers (ORIT) at Bogota, Colombia.**

## **Inter-American Regional Organization of Workers—ORIT**

The AFL-CIO continued to work closely with the Inter-American Regional Organization of Workers (ORIT), the Western Hemisphere branch of the ICFTU. In addition to regular per capita payments, we have supported many ORIT organizational and special projects and have made donations to a number of ORIT affiliates in time of strikes and other emergencies.

The leadership of ORIT has undergone changes since our last convention. In April 1958, Luis Alberto Monge, who had held the post of ORIT general secretary since 1953, announced his resignation. A three-man secretariat composed of Jim Bury of Canada, Alfonso Sanchez Madariaga of Mexico and Serafino Romualdi of the United States was appointed to take charge of the organization. In July 1958, Madariaga was appointed

by the executive board, in agreement with the ICFTU, as acting general secretary.

The ORIT Executive Board, at its annual meeting in Washington, D. C., January 13-15, 1958, devoted considerable time to the trade union situation in Cuba, deplored the existence of a military dictatorship in that country, and supported—by a majority vote—a resolution which expressed “sympathetic understanding of the problems of our affiliate, the CTC of Cuba,” and urged that the political crisis in that country be settled by holding general elections “freely conducted along democratic lines.”

The AFL-CIO took an active part in the Fourth ORIT Convention held in Bogota, Colombia, December 9-12, 1958. Our delegation was composed of Secretary-Treasurer William F. Schnitzler, Vice Presidents O. A. Knight, Richard F. Walsh, James A. Suffridge and Karl F. Feller; AFL-CIO Inter-American Representative Serafino Romualdi; Harry Sinclair, international representative, American Federation of State, County and Municipal Employees, substitute, and Nat Goldfinger, AFL-CIO economist, advisor.

The convention amended the ORIT Constitution as a result of which an administrative committee, chosen among the members of the executive board, replaced the secretariat as the administrative body of the organization. Alfonso Sanchez Madariaga was unanimously elected general secretary, and Ignacio Gonzalez Tellechea of Cuba was re-elected president. President Meany and Vice President Walter P. Reuther were re-elected members of the executive board. Their substitutes are Secretary-Treasurer Schnitzler and Vice President Knight. Schnitzler was subsequently chosen a member of the administrative committee.

A special meeting of the ORIT Executive Board was held in Mexico City February 3-4, 1959, primarily to examine the changes in the trade union situation of Cuba brought about by the downfall of the Batista dictatorship. This meeting, attended by the ICFTU general secretary and the director of organization, adopted a statement which urged that trade union elections be called at the local and national level with the least possible delay, to be followed by a congress to elect the leadership of the CTC.

In January 1958, the ORIT was at last granted consultative status before the Economic and Social Council (ECOSOC) of the Organization of American States (OAS).

## Joint U.S.-Mexico Trade Union Committee

The AFL-CIO participated actively in the Fifth Conference of the Joint United States-Mexico Trade Union Committee in Mexico City, April 6, 7 and 8, 1959. The labor movements of both nations pledged at this meeting to continue their historic

close "cooperation and better understanding of the people of the two countries, especially of the workers."

The Joint United States-Mexico Trade Union Committee is an official committee of the Inter-American Regional Organization of Workers (ORIT). The Mexican section is composed of organizations representing approximately 80 percent of organized labor in Mexico. The United States section represents the American Federation of Labor and Congress of Industrial Organizations, the United Mine Workers of America, and railway unions affiliated with the Railway Labor Executives Association. Chairman of the United States section is Frank L. Noakes, who is secretary-treasurer of the Brotherhood of Maintenance of Way Employees, AFL-CIO.

The Mexico City conference adopted resolutions which included the following:

1—That the Mexican contract laborer "in no event shall be paid less than one dollar per hour."

2—That Mexican contract laborers "be organized before they leave Mexico by the trade unions of that country which are represented on this Joint Committee."

3—That ORIT affiliates in the U.S. and Mexico urge their subordinate bodies along the border "to conclude border pacts in accordance with the bases set up by the respective organizations."

4—That ORIT affiliates of both countries take concrete measures "to make effective their solidarity in the event of labor management conflicts affecting their respective subordinate organizations."

As a consequence of the above resolutions, a border pact meeting was held in Laredo, Tex., and Nuevo Laredo, Mexico, on June 4 and 5, 1959, between the Texas State AFL-CIO and its Building Trades affiliates on one side and their Mexican Federation of Labor (CTM) counterparts on the other side of the border. A border pact was signed covering the construction of the Diablo Dam and any other international construction project in the future.

A further resolution of this meeting called on the border unions of both countries to enter into reciprocal agreements between counterpart unions on both sides of the border requiring workers crossing the border to work in the U.S. to accept employment through U.S. union channels and abide by the union wages, hours and working conditions.

## International Labor Organization

In 1958 and 1959 the ILO has made substantial contributions to the welfare of workers throughout the world, in developing new standards to improve conditions of various groups of workers, advancing human rights, and providing technical assistance,

especially to less developed countries. During this period its work has been somewhat impeded by political issues arising directly and indirectly out of the participation in the ILO of the Soviet bloc.

With the active participation and support of representatives of the U.S. trade union movement, the 1958 and 1959 sessions of the International Labor Conference adopted, either in final or preliminary form, a number of important international instruments.

Adopted in final form were: a convention supplemented by a recommendation on discrimination in employment and occupation; a convention supplemented by a recommendation on conditions of work of fishermen and a recommendation on organization of health services in places of employment. The conference also took preliminary action on a convention supplemented by a recommendation for protection of workers against ionizing radiations and a recommendation on consultation and cooperation between public authorities and employer and worker organizations at the industrial and national levels.

In 1959, the ILO launched a worldwide survey on the conditions in various countries relating to freedom of association and the rights of workers to organize into unions. The first such on-the-spot survey was made in the United States by a special ILO staff group in the spring of 1959. It was to be immediately followed by a similar survey to be made in the USSR during the summer of the same year.

Surveys are to be made in many other countries to permit the ILO to develop objectively and as fully as possible the true facts regarding the rights of workers freely to establish and maintain trade unions to advance their welfare. The information obtained will assist the ILO in its existing programs in the fields of labor-management relations, worker and management education and labor legislation.

### **Technical Assistance Stepped Up**

An increasing part of the ILO's resources has been directed toward providing various kinds of technical assistance to the less developed countries. These projects take many forms, ranging from training of indigenous workers in remote areas in various types of handicrafts to expert consultation with government officials on the framing of labor relations and social security legislation. All of these activities are aimed at improving the working conditions and living standards of workers in the less developed countries.

The disruptive effects of the activities of Soviet bloc representatives in the ILO have forced the expenditure of much time and effort on political controversy which could otherwise be utilized for the constructive work of the ILO. Representatives of free trade unions in the ILO have effectively organized to defeat

the Soviet bloc on virtually every political issue that has cropped up.

Most significant was the refusal of the International Labor Conference in both 1958 and 1959 to seat the government, so-called "worker," and "employer" delegates of the Kadar regime of Communist Hungary. In both years also, efforts of the Soviet bloc to secure adoption of Communist-line resolutions were thwarted.

As in the past, the U.S. employer representatives in the ILO have continued to oppose virtually all of the constructive and forward-looking actions of the ILO. They also have made efforts, for which they have had virtually no support outside their own ranks, to trim the already inadequate budget of the ILO.

Although the U.S. government representatives in the ILO have given vigorous support to anti-Communist political actions, they have failed to support most of the important standard-setting actions of the ILO. In this respect, however, there has been evidence of slight improvement during the past year and a greater willingness on the part of the U.S. government to consider proposed ILO conventions on their merits.

#### ILO Ceiling

The problem of the dollar ceiling on U.S. contributions to the International Labor Organization has taken a more favorable turn since the last convention.

While the House did not act on SJ Res 73, which the Senate had adopted, it did include in the mutual security bill, HR 12181, a provision eliminating the dollar ceiling but retaining the limitation that requires U.S. contributions not to exceed 25 percent of the ILO budget.

The conference report retaining this provision was approved by both the House and the Senate on June 27, 1958.

## Foreign Economic Policy

The AFL-CIO regards the foreign economic policy of the United States as an integral and essential part of the nation's overall foreign policy. The importance of foreign economic policy was highlighted in a statement adopted by the Executive Council on Feb. 8, 1958, which stressed that U.S. foreign economic policy "must be attuned to the welfare and security of our own nation and the economic requirements and aspirations of the peoples of the Free World."

The council emphasized the importance of increasing economic and technical assistance to the less developed nations. AFL-CIO representatives testifying before congressional committees on mutual security legislation have warned that unless the U.S. in its own programs, as well as through participation in multilateral

assistance, expands its foreign aid efforts, the Soviet Union will undoubtedly step up its already considerable drive in the foreign aid field and thus forge economic bonds with still uncommitted newly industrializing countries.

AFL-CIO spokesmen also pointed out that even if there were no Soviet threat, effective economic aid to less developed nations would still be essential to help their economic growth and improve the extremely low living standards prevailing in the newly industrializing countries.

Although there have been some gains in U.S. foreign economic policy, the record on the whole has been poor. The major new development has been the establishment of the Development Loan Fund to provide low-cost, long-term loans for economic development programs in less developed countries.

Although the Administration originally proposed a \$2 billion authorization for three years, the actual amounts appropriated for the DLF have been on a year-to-year basis with \$300 million for the first year and \$400 million for the second. An additional \$150 million was made available in early 1959 in a supplemental authorization.

For the fiscal year ending June 30, 1960, the Administration requested a one-year authorization of only \$700 million in the face of a clear need for long-term financing on a much higher level. Both the House and Senate committees considering the authorization for the DLF recommended more than the Administration requested. The House Foreign Affairs Committee recommended \$800 million for one year which was reduced on the floor to \$700 million. The Senate Foreign Relations Committee recommended a five-year authorization of \$1 billion a year, strongly supported in testimony by the AFL-CIO, with assured financing which would not require annual appropriations. This was cut, after strong Administration pressure, to \$750 million for fiscal 1960 and \$1,250,000,000 for fiscal 1961 and, as a result of Administration insistence, the bill continued the year-to-year appropriation requirement. This eliminates the possibility of permitting long-term planning of economic assistance which is essential for a fully effective program.

After the two houses work out a compromise authorization, actual appropriations, which always have been considerably lower than authorized, must be voted.

### ***International Trade and Tariffs***

The AFL-CIO has continued to give strong support to the Reciprocal Trade Agreements program, thereby continuing the traditional policy of organized labor favoring gradual reduction of barriers to international trade. With the expiration of the previous three-year extension of the Reciprocal Trade Agree-

ments Act in June 1958, the program was subject to strong attack by those who sought to scuttle it or drastically restrict its effectiveness.

In testimony before congressional committees considering extension of the program, AFL-CIO spokesmen recommended a five-year extension on an improved basis. Our representatives pointed to the fact that expansion of international trade is not only essential for healthy economic development of the Free World, but also is important as a source for some four and one-half million jobs for American workers.

Recognizing that some few industries in the U.S. have been hit hard by the impact of increased imports resulting from tariff reductions, the AFL-CIO called for incorporation in the act the trade adjustment proposal which would provide assistance to firms, communities and workers adversely affected by increased imports. Our representatives also recommended that specific recognition be given to the principle of fair labor standards in international trade in the legislation extending the program.

Congress voted to extend the act for a period of four years with authority for reduction of tariffs, with certain limitations, by a maximum of 20 percent. A number of provisions were inserted in order to enhance the protectionist features of the program. The AFL-CIO's recommendations with respect to trade adjustment and fair labor standards were not included in the final bill.

On Feb. 24, 1959, the Executive Council adopted a statement on fair labor standards in international trade declaring that "while wage differentials will continue to exist and should not impede international trade, wages and working conditions in exporting industries [should] fully reflect the productivity and technological advance of the industry and the national economy." The council called upon the U.S. government to press for adoption of policies promoting fair labor standards in international trade through its participation in the International Labor Organization and the General Agreement on Tariffs and Trade.



## Social Security

### Old-Age, Survivors & Disability Insurance

The expansion and continued successful operation of the federal program of old-age, survivors and disability insurance have confirmed the soundness of the principles upon which it is based and which organized labor has supported.

Thirteen million people are now receiving benefits under this program. Nearly 11 million are aged persons. Two million are young survivors and dependents, and 300,000 are suffering from long-term disability. Total benefit payments are now at the rate of \$9 billion a year, providing an important cushion to national purchasing power as well as to individual levels of living.

In spite of rising outlays reflecting greater protection, contributions have about kept pace so that the two trust funds now total \$23 billion. They are expected to grow in the years ahead, providing ample assurance that benefit obligations will be met.

The Advisory Council on Social Security Financing, created by the Congress, unanimously reported in 1959 "that the method of financing is sound and no fundamental changes are required or desirable." Joseph Childs, vice president, United Rubber Workers; Nelson H. Cruikshank, director, AFL-CIO Department of Social Security; and Eric Peterson, general secretary-treasurer, International Association of Machinists, are the labor members of this 12 member council.

### Improvements in 1958

Many important changes were enacted in 1958, due in considerable part to the efforts of the AFL-CIO. Benefits were increased on the average by at least 7 percent. The new family maximum is \$254 instead of \$200; the new maximum primary insurance benefit of \$116 will rise to \$124 by 1965 and to \$127 in the more distant future. The earnings ceiling was raised from \$4,200 to \$4,800 a year to permit persons with annual earnings

up to that figure to receive benefits more closely related to earnings.

Persons already retired shared in the improvements so that the average old-age benefit today is \$72 a month, or \$8 more than two years ago. The average old-age benefit currently being awarded is \$82.

The disability phase of the program was liberalized by adding dependents' benefits, ending the deduction of workmen's compensation or other federal disability payments and eliminating the requirement of substantial employment immediately before the onset of disability.

In view of the opposition that almost defeated the enactment of the disability benefits in 1956, it was gratifying to have the Senate Finance Committee report that it "believes that disability benefits payable under the national social security system should be looked upon as providing the basic protection against loss of income due to disabling illness."

Because of these and other improvements giving people new protection, the AFL-CIO Department of Social Security co-operated with the Social Security Administration in special efforts to acquaint people with the additional benefit rights.

### ***Efforts to Add Health Benefits***

Progress has been made in focusing congressional attention on the need for adding health benefits to old-age, survivors and disability insurance. Testimony in support of this type of improvement was presented to the House Ways and Means Committee in 1958 by the AFL-CIO and other important organizations.

The committee asked the Secretary of Health, Education and Welfare for a report on alternative ways of providing insurance against the cost of hospital and nursing-home care for old-age, survivors and disability insurance beneficiaries. The secretary's report, entitled "Hospitalization Insurance for OASDI Beneficiaries," was hailed by President Meany, who congratulated Secretary Arthur Flemming on its thoroughness and objectivity, and pointed out that not a word "suggests that the department could not successfully administer such a program."

Early in 1959 Rep. Aime J. Forand reintroduced as HR 4700 the health provisions of his earlier bill which was endorsed by the 1957 convention. The AFL-CIO Executive Council urged the Ways and Means Committee to proceed at once with hearings so that legislation might be enacted this year. The council stated: "Other organizations, like our own, are prepared to present the committee with recommendations on practical provisions for making hospital care and related benefits available through the mechanism of social security in ways that will promote good care, speed rehabilitation, and assist hospitals to meet increased demands for service."

Hearings were finally scheduled by the committee, but not until



**Labor went all out in support of Forand bill to provide health care to the nation's social security recipients.**

mid-July, too late to permit passage of a bill by Congress in 1959.

An impressive series of witnesses, some of them distinguished physicians, supported the addition of federal health benefits for OASDI beneficiaries. These witnesses included spokesmen for the Hospital Council of Philadelphia, the American Nurses' Association, the American Public Welfare Association, the Group Health Association, the National Association of Social Workers, and the National Farmers' Union.

The AFL-CIO testimony pointed out that the developments of the last year had emphasized the failure of other approaches and the feasibility of adding hospital and related health benefits, as proposed by Forand. We recommended that the committee consider provisions for adding payment for certain additional types of benefits, namely, payment for diagnostic care in outpatient departments of hospitals, and payment for care by visiting nurses in the patients' homes. Support was also expressed for appropriating federal funds for demonstration projects on methods of promoting the speedy return of the aged, after illness to self care and home care. The committee was urged to complete its studies and hearings "not later than early 1960."

The 1958 amendments fell short of achieving the goals of adequacy set forth in AFL-CIO resolutions. OASDI benefits are still below levels justified by rising earnings and the stand-

ards of living which our economy can support. At its February 1959 meeting the Executive Council urged Congress "to increase the social security benefits to more adequate levels, especially through lifting the earnings ceiling from \$4,800 to \$6,000 and by computing the benefits of persons with many years of coverage on their years of highest earnings."

No committee hearings specifically directed toward improving benefit amounts under social security have been held by the committees of the House or Senate in 1959. The Senate Finance Committee waits on House action since Social Security Act amendments are tax measures.

A subcommittee on Problems of the Aged and Aging was established by the Senate Labor and Public Welfare Committee with Sen. Pat McNamara as chairman. Director Cruikshank and Mrs. Katherine Ellickson, assistant director of the Department of Social Security, appeared before the subcommittee to discuss pensions and social security, stressing support of the Forand bill on health benefits.

The subcommittee plans to hold hearings in various states which will provide another channel for demonstrating the need for greater employment opportunities, improved housing, and improved social security legislation.

The Ways and Means Committee established a subcommittee to study social security administration with Rep. Burr P. Harrison as chairman. Its jurisdiction was limited so that it is not to make legislative recommendations. In response to the chairman's inquiry, the department suggested a study of improved methods of acquainting people with their benefit rights, certain aspects of the financing of unemployment insurance, and the unfortunate effects of delegating the determination of disability to state agencies.

## Public Assistance and Welfare Programs

Although the various programs of public assistance are intended to provide at least minimum security, on the basis of need, for persons without sufficient social insurance protection, experience in the recent recession emphasizes the many shortcomings of federal, state and local laws.

The 1958 amendments to the Social Security Act liberalized grants for the four federally aided programs—for the aged; the blind; dependent children; and the totally and permanently disabled. However, in the face of a threatened veto by the President, the Senate cut the increase in federal grants for public assistance from \$288 million to \$197 million. The cuts fell heavily on the programs for dependent children, who lost \$53 million.

No federal funds are available for general assistance, and many states and localities do not make payments to the unem-

ployed who may be in desperate circumstances. Even under the federally aided programs, payments are often at extremely low levels, and eligibility requirements are so strict that persons with moderate savings and other resources are excluded until those resources are exhausted.

An increasing proportion of public assistance money is now being spent for medical care, but the same harsh eligibility requirements, including the means test, apply to persons who need help with their medical bills.

The 1958 social security amendments improved the basis for federal grants in several ways, notably by making more federal matching grants available for the low-income states.

### ***Broader Federal Program Needed***

Comprehensive legislation for providing enlarged federal grants on a sounder basis continues to be needed. Rep. Forand reintroduced a bill embodying such revisions, similar to the measure the AFL-CIO endorsed in 1957. HR 6422 would permit states to substitute a new comprehensive public welfare plan through which the federal government would assist them in meeting the full range of needs now confronting their public welfare agencies. The states would then be entitled to more generous federal matching grants directed to the aid of all types of needy persons, including the unemployed.

The maximum average payment subject to federal aid would be increased to \$75 a month for all adults and \$50 for all children. Residence requirements would be eliminated. Greater emphasis would be given to services for recipients, with a view to aiding them to become self-supporting whenever possible. Since the federal government is now putting about \$1 $\frac{1}{4}$  billion a year into public assistance, it is reasonable to spend relatively small sums to lessen the number of people who must continue to rely on assistance.

An Advisory Council on Public Assistance was established by Congress to report by the end of 1959 on the appropriate federal role in public assistance, especially on the federal share in financing and the relation to old-age, survivors and disability insurance. Assistant Director Ellickson, on nomination by President Meany, was appointed by the Secretary of HEW as the labor member of this council.

Representatives of the AFL-CIO again testified in support of appropriations to provide special federal grants for research and training in public welfare, as authorized by the 1956 social security amendments, but Congress again failed to appropriate funds for these much-needed functions.

The AFL-CIO also supported action to carry out earlier amendments which raised the ceilings on appropriations under the maternal and child welfare provisions of the Social Security Act. Although \$5 million was added in 1956 to the amounts

authorized for annual appropriations for each of the three programs which foster state and local activities for mothers and children, Congress has yet to make appropriations equal to the authorized sums.

### ***Special Assistance Programs for the Unemployed***

In addition to supporting substantial improvements in unemployment insurance, as described later in this section of the report, the AFL-CIO supported special measures to provide decent levels of living for persons out of work because of the 1957-58 recession.

When Congress was considering unemployment insurance legislation in 1958, we proposed two types of emergency action to aid people not eligible for unemployment benefits: first, federal recovery benefits, payable as a matter of right to persons who had a substantial record of employment but were unable to find jobs; second, federal grants for general assistance to aid those who needed other help. We pointed out that it was reasonable for Congress to authorize the use of federal funds for such purposes since communities as well as individual families would be aided and since many states were failing to enable persons, jobless through no fault of their own, to sustain adequate levels of living.

Despite substantial interest in the Congress, these proposals



**AFL-CIO and IUD staff members examine chart showing soaring unemployment during 1957-58 recession.**

were not adopted. We argued for them again in 1959. A bill sponsored by Sen. McNamara embodied a proposal for temporary emergency benefits similar to our 1958 proposal. It provided that states could make agreements with the Secretary of Labor to pay weekly benefits to persons with sufficient earnings records under old-age, survivors and disability insurance. The amount of payment covering such unemployment benefits was related to the OASDI earnings records. This bill, like the 1958 proposal, was opposed by the Administration, but it obtained substantial Senate support, with the vote 38 in favor and 49 against.

### ***Surplus Food Program***

Unable to secure unemployment insurance benefits or public assistance, many thousands of workers have been subsisting with the aid of surplus food distributed as part of the price support program of the U.S. Department of Agriculture. However, this program has been "entirely inadequate," as the Executive Council pointed out in May 1959. The council further declared:

"As long as there are pockets of poverty in America, and as long as recessions and depressions still threaten, government has an obligation to meet the basic needs of our people through a broad program of social legislation, including comprehensive social insurance, public assistance and adequate minimum wage legislation.

"Until these programs are effective enough to meet the needs of all our people, government has an obligation to prevent malnutrition and hunger through a proper food program. To fail to do so, in the face of tremendous farm surpluses, would be inexcusable."

The council recommended that Congress: divorce the distribution of food to the needy from the agricultural price support program, enact legislation to expand the kinds of food distributed and assist local communities on the cost of the distribution.

Testimony explaining our approach and expressing general support of S 1884 was presented before a subcommittee of the Senate Committee on Agriculture by AFL-CIO Vice President Joseph A. Beirne, as chairman of the Community Services Committee.

### ***Unemployment Insurance***

In no other protective legislation has there been such discrepancy between demonstrated need and legislative action as in unemployment compensation during the last two years. While one-fifth to one-fourth of the entire work force has been hard hit directly by the shortcomings in unemployment insurance, legislative accomplishments have been trivial compared with the need.

Congress recognized a federal responsibility by providing loans to states wishing to extend the duration of benefits tem-

porarily, but has denied the continuing need for federal leadership by delaying enactment of benefit standards and reinsurance.

While Congress has delayed, in the name of states' rights, the states have asserted their right to avoid responsibility—with two or three exceptions—either by coupling token benefit gains with qualifying restrictions or by allowing liberalized benefits to be paid only under very limited conditions. For the modest benefit gains in 1959 legislatures to July 1, see chart on page 136.

Despite the fact that only Hawaii now clearly meets the benefit criteria proclaimed by President Eisenhower and Secretary Mitchell five years ago, the Administration continues to cite state "progress" as one reason for opposing federal benefit standards.

### **Federal Advisory Council**

Established under the Wagner-Peyser Act of 1933 to advise on policy in employment security, the Federal Advisory Council, on which labor members sit with others from industry and the public, was asked by the Secretary of Labor to submit recommendations on how to meet the problems of the 1957-59 recession. After thorough study and use of the technical services of the Bureau of Employment Security, in December 1958 the council recommended enactment of federal standards on benefit amount, duration, and wage-qualifying requirements. Public and labor members supported the report, while some, but not all, employer members dissented. The Administration ignored the council's recommendation and refused to make it public, thereby subverting a legally established arm of policy formulation to the interests of politically influential employer groups.

As of Jan. 1, 1958, the following persons served as employee representatives on the council: Harry Boyer, president, Pennsylvania CIO Council; George Brown, political education director, Oregon AFL-CIO; Jacob Clayman, international representative, Almalgamated Clothing Workers, now attorney, Ohio AFL-CIO; Nelson H. Cruikshank, director, AFL-CIO Department of Social Security; C. J. Haggerty, secretary-treasurer, California State Federation of Labor; Leonard Lesser, director of social security, Industrial Union Department, AFL-CIO; Jesse McGlon, general vice president, International Association of Machinists; and Joseph Rourke, then secretary-treasurer, Connecticut State Federation of Labor. Rourke's term expired in June 1958, and on the recommendation of President Meany, the Secretary of Labor appointed Kenneth J. Kelley, secretary-treasurer, Massachusetts State Labor Council, AFL-CIO, as a replacement.

Cruikshank's term expired in June 1959. On President Meany's nomination, the Secretary of Labor has appointed Raymond Munts, assistant director, Department of Social Security, to fill the position.

The council continues to labor under the handicap of the unique rules of procedure imposed upon it by the management representatives in 1955. These rules prevent the council from adopting any position or recommendation by majority action and in general tend to nullify its usefulness. When proposed as a compromise to keep the council functioning on a minimum basis, the Secretary of Labor approved these procedures for a trial period. After four years of complete failure—or, from the employer members' point of view, complete success in nullifying the council's usefulness—the secretary still refuses to exercise the leadership necessary to make of the council a meaningful advisory group.

### **National Legislation**

In February 1958, Sen. John F. Kennedy and Rep. Eugene J. McCarthy, with 16 other senators and 55 congressmen introduced a federal unemployment compensation standards bill which the Executive Council endorsed as consistent with AFL-CIO policy. This bill provided for standards on benefits, eligibility and disqualifications, for extended coverage and for reinsurance grants.

In addition, to meet immediate needs, it provided that higher weekly benefits for a longer duration would be paid immediately from federal funds until state laws should come into compliance with the federal requirements.

Following the President's proposal of a measure for temporary extension that would be financed by loans to the states, the leadership of both parties in the House appeared interested only in the temporary situation and not in the long-run objectives of unemployment insurance. The House Ways and Means Committee held hearings on temporary measures but deferred hearings on standards. The committee reported a bill granting 16 weeks of benefits to those unemployed who had exhausted their benefits and to those ineligible under state law. The cost was to be paid from a federal appropriation.

### **Optional Temporary Plan Adopted**

This was supported by the AFL-CIO as the best temporary measure with any chance of passage, but a coalition of conservative Democrats and Republicans substituted a much more limited measure in which participation was entirely optional to the states. In the Senate, efforts to amend the House bill were unsuccessful and it passed as the Temporary Unemployment Compensation Act of 1958. The act was scheduled to terminate abruptly Apr. 1, 1959, but Congress continued the program until June 30, allowing, however, no new claimants after Apr. 1. Two better extension plans were defeated, one in the Senate by 32-49 and one in conference committee, after passing the Senate.

Seventeen states provided extended benefits to the unemployed from funds borrowed under this act while five states paid such

## HOW STATE U. C. BENEFITS MEASURE UP

Effect of State Laws, Jan. 1, 1959

RECOMMENDATIONS:

AFL-CIO

Effect of Amendments, Jan. 1-July 1, 1959

Eisenhower-Mitchell .....

DURATION (NUMBER OF WEEKS FOR WHICH AVERAGE WORKER QUALIFIES)

WEEKLY BENEFITS—BASIC MAXIMUM PERCENT OF AVERAGE WEEKLY WAGES

	39	30	20	10	19.1	ALABAMA	\$28	40	60	67
*					25.2	ALASKA	\$45	**		
*					22.5	ARIZONA	\$35			
*					21.0	ARKANSAS	\$30			
*					24.6	CALIFORNIA	\$55			
*					27.0	COLORADO	\$42			
*					22.8	CONNECTICUT	\$40			
*					20.3	DELAWARE	\$40			
*					21.2	DIST. OF COLUMBIA	\$30			
*					19.0	FLORIDA	\$33			
*					20.4	GEORGIA	\$30			
*					26.0	HAWAII	\$45			
*					19.5	IDAHO	\$40			
*					22.4	ILLINOIS	\$30			
*					19.0	INDIANA	\$36			
*					19.0	IOWA	\$30			
*					21.0	KANSAS	\$40			
*					25.4	KENTUCKY	\$34			
*					18.0	LOUISIANA	\$35			
*					26.0	MAINE	\$33			
*					26.0	MARYLAND	\$35			
*					26.6	MASSACHUSETTS	\$40			*
*					23.6	MICHIGAN	\$30	**		
*					23.7	MINNESOTA	\$38	**		
*					20.0	MISSISSIPPI	\$30			
*					22.6	MISSOURI	\$33			
*					22.0	MONTANA	\$32			
*					21.0	NEBRASKA	\$34			
*					21.9	NEVADA	\$37.50			
*					26.0	NEW HAMPSHIRE	\$38	**		
*					23.8	NEW JERSEY	\$35	**		
*					27.0	NEW MEXICO	\$36			
*					26.0	NEW YORK	\$45			
*					26.0	NORTH CAROLINA	\$32	**		
*					24.0	NORTH DAKOTA	\$32			
*					25.7	OHIO	\$33			
*					29.0	OKLAHOMA	\$32			
*					22.9	OREGON	\$40			
*					30.0	PENNSYLVANIA	\$35			
*					19.7	RHODE ISLAND	\$30			
*					20.5	SOUTH CAROLINA	\$26			
*					18.0	SOUTH DAKOTA	\$33			
*					22.0	TENNESSEE	\$32			
*					19.7	TEXAS	\$28			
*					26.0	UTAH	\$39			
*					26.0	VERMONT	\$36			
*					15.7	VIRGINIA	\$28			
*					27.0	WASHINGTON	\$42	**		
*					24.0	WEST VIRGINIA	\$30	**		
*					28.0	WISCONSIN	\$47			
*					21.5	WYOMING	\$43			

benefits from their existing reserves. The other 31 states took no action on behalf of those unemployed exhausting their benefits under state law, thereby verifying AFL-CIO doubts about the value of the "optional" approach.

During congressional deliberations the AFL-CIO repeatedly argued the folly of a temporary extension conceived as a substitute for permanent overhaul of unemployment compensation. While 2 million people were helped by these temporary plans, there were millions of others who could have been helped by more thorough-going legislation. For example, while Congress debated temporary unemployment compensation in the first five months of 1958, about a million people lost their jobs and could not find re-employment, and only half of these were eligible when the temporary program began operations.

Furthermore, "emergency only" action where everything is geared to speed is bound to be conceived as a mere extension of existing laws. The Temporary Unemployment Compensation Act incorporated all the weaknesses of state laws—low benefits, restricted eligibility, insufficient coverage and even variable duration, in effect giving sanction to these limitations in the name of expediency. Congress itself witnessed the difficulties inherent in discontinuing the Temporary Unemployment Compensation Act and forcing the unemployed to depend again on a seriously inadequate system.

All in all, if federal standards had been in effect during 1958 about \$1.5 billion more would have been paid out to the unemployed than was paid under both state programs and temporary extensions.

The financing of the Temporary Unemployment Compensation Act also remains to haunt the best interests of unemployment compensation. Some states needed a loan to finance extensions, but all states together had \$8 billion in reserves. Reinsurance, rather than loans, is obviously called for. Deferring the cost to the future—the states must repay by 1963—may be postponing the cost of jobless pay in this recession to a future recession.

### Federal Standards Fight in 1959

After enactment of the Temporary Unemployment Compensation Act in June 1958, there was little interest in permanent improvement and nothing came of committee hearings on federal standards. A bill extending coverage to peacetime veterans passed; a bill improving benefits in the District of Columbia law passed the Senate but failed, as usual, in the House.

Not until after the 1958 elections was there again a serious

\* Five states extend duration to a longer period only when state-wide unemployment rises to a specified level.

\*\* Eleven states would have to do more than raise maximums to meet recommended standards, because they do not now pay all claimants under the maximum a benefit of at least half their individual wage loss.

interest in federal standards. Thirty-seven of the 47 new congressmen and 10 of the 15 new senators had part or all of their constituencies classified as areas with 6 percent or more unemployment at the time of the election.

As the 86th Congress convened, interest ran high: this time 32 senators of both parties and 130 congressmen joined in the introduction of a federal unemployment compensation standards bill, containing most of the provisions of the earlier measure. Hearings were held by the Ways and Means Committee and it has been reported that a federal standard on individual benefit and maximum weekly benefit amount was blocked by one vote. The committee had taken no further action when this report was prepared.

Support for federal standards has come from the Rockefeller Brothers Report, from professors of social security and economics, from consumer groups and social agencies, from the Federal Advisory Council and primarily from the AFL-CIO. Opposition has come from the Administration, organized employer groups and the Inter-State Conference of Employment Security Agencies.

The Interstate Conference, in its congressional representations, continues to emphasize states' rights rather than states' responsibilities. Both through the Interstate Conference and through the activities of state agency directors, the vested interests of state administrators and of tax-conscious employers—as opposed to the interests of unemployed workers—continue to make themselves felt in Congress. Some members of the conference testified this spring against federal benefit standards in direct opposition to the position of the governors in their states.

Congress enacted, and the President "reluctantly" signed, substantial improvements in the Railway Retirement and Unemployment Insurance Acts. The latter now provides benefits of up to \$10.20 daily for 52 weeks for some claimants—See section on National Legislation, page 229.

### ***State Legislative Action***

In 1958 the following states improved their weekly benefit amount: Arizona raised its maximum from \$30 to \$35; Delaware from \$35 to \$40; Louisiana from \$25 to \$35; New York from \$36 to \$45; and Wisconsin from \$38 to \$42 on a temporary basis. Kentucky changed its method of computing benefits by going to a high-quarter system, and raised its maximum from \$32 to \$34.

Twenty-two states enacted temporary extensions, but the only permanent changes in duration represented departures from the uniform duration principle: Mississippi with 20 weeks uniform and Kentucky with 26 weeks uniform both went to a variable 26 weeks or total benefits of one-third base period

## 1959 AMENDMENTS TO MAXIMUM BENEFIT AMOUNTS AND MAXIMUM DURATIONS

STATES	MAXIMUM WEEKLY AMOUNT		MAXIMUM DURATION*	
	FROM	TO	FROM	TO
ARKANSAS	\$26	\$30	18	26
CALIFORNIA	40	55	26	26-39**
COLORADO	35	50% OF AVERAGE WEEKLY WAGES IN SELECTED INDUSTRIES (-\$42)	26	32½
FLORIDA	30	33	16	26
HAWAII	35	45	20U	26U
IDAHO			26	26-39**
ILLINOIS	30-45	32-50	26	26-39**
INDIANA	33	36	20	26
IOWA	30	30-44	24	26
KANSAS	LESSER OF \$34 OR 50% OF STATE- WIDE AVERAGE WEEKLY WAGE (-\$40)	50% OF STATE- WIDE AVERAGE WEEKLY WAGE (-\$40)	20	26
MASSACHUSETTS	35 AND UP	40 AND UP	26	30
NEBRASKA	32	34	20	26
NEW HAMPSHIRE	32	38		
NEW MEXICO	30	36	24	30
NORTH CAROLINA			26U	26U-34U**
NORTH DAKOTA	26-35	32	20U	24U
OKLAHOMA	28	32	26	39
SOUTH DAKOTA	28	33	20	24
TENNESSEE	30	32		
UTAH			26	36
VERMONT	28	50% OF STATE-WIDE AVERAGE WEEKLY WAGE (-\$36)	26U	26U-39U**
WASHINGTON	35	42	26	30
WISCONSIN	41	52½% OF STATE-WIDE AVERAGE WEEKLY WAGE (-\$47)	26½	34

\* Variable duration in all cases unless marked "U" for uniform duration.

\*\* Benefit duration extended by 50% (North Carolina 8 weeks) when unemployment state-wide reaches specified levels.

earnings, whichever is the lesser. Delaware slightly improved its formula for computing duration.

Three states improved the partial earnings allowance (Arizona, Louisiana and Mississippi) and three states tightened their formula for qualifying wages (Kentucky, Maryland and Mississippi.)

New York liberalized its wage-qualifying requirement by allowing alternate computations on an earlier period if the claimant's base year employment record was insufficient.

In 1959, 46 legislatures have met and 33 adjourned by July 1. Statutory changes in maximum benefit amount and maximum duration enacted to that date are listed in the preceding table.

These statutory changes have been cited by the Administration as one reason why federal standards are unnecessary. But the chart on Page 136 clearly indicates that these gains do not meet the Administration's criteria in any state except Hawaii.

The test of the benefit amount is whether the maximum is high enough—relative to wages in the state—so that a great majority of claimants will receive a benefit of half their individual lost weekly wage. The Labor Department estimates that the maximum benefit amount must be from 60 to 66 2/3 percent of average weekly wage in the state to accomplish this purpose. See Supplemental Report Page 376.)

California and Hawaii have increased maximums substantially, bringing them at first glance into line with recommended action. But in the case of California, this was done by departing from the half-pay principle for some claimants below the maximum and, therefore, does not fulfill either the Administration or the AFL-CIO recommendations.

Any test for adequate duration must consider the average potential benefit for all claimants, not just that for those entitled to the maximum number of weeks.

In 18 states the average potential duration is close to or greater than 26 weeks, but only eight of these meet the President's standard of a uniform 26 weeks for all claimants. No states have adopted the uniform 39 weeks which this recession has shown to be necessary. No accounting is made here of built-in temporary extensions adopted in four states this year in which longer duration is to be triggered by a predetermined state-wide unemployment ratio. These amendments appear more significant than they really are and cannot be regarded as any improvement in the basic program.

### ***State Action Near Saturation Point***

It can be shown that the gains in 1959, following a major recession year, were not as substantial nor did they cover as many employees as did the gains in 1955, also following a recession year. This suggests that we are reaching a saturation point in improving unemployment compensation benefits by state action alone although there is still a long way to go before

the states meet even the standards recommended by the Administration.

Until this year the main offset to benefit gains were stricter eligibility and disqualification requirements. While these are still being enacted there is a new adjustment taking place in the disparity between goals and accomplishment. "Gimmicks" are being developed providing higher benefit levels that are more apparent than real. There are three major variations: maximums that vary with dependency and earnings, as enacted in Iowa this year (in the pattern of Michigan and Illinois laws); maximums that extend beyond the half-pay principle as in California; or built-in temporary duration extensions. All these features lend themselves to a simplified overstatement of benefit adequacy and aid those seeking to exaggerate the accomplishments to date.

On the positive side, it should be noted that more states are recognizing the importance of gearing benefits automatically to the movement in wages by stating the maximum benefit amount as a percentage of the State's average weekly wage. These so-called adjustable maximums preserve the wage replacement principle of the program under inflationary circumstances. Since the AFL-CIO resolution at the 1957 convention specifically urged adjustable maximums, four states have adopted them: Colorado, Kansas and Vermont all at 50 percent, and Wisconsin at 52½ percent. This makes a total of six states with the adjustable maximum—Utah, 50 percent, and Wyoming, 55 percent, having already acted in 1957. None of the adjustable maximums to date meet the recommended 60-66 2/3 percent.

In addition to maximum benefit and maximum duration changes, other features of state laws have been altered this year. Nine states have adopted new formulas for computing benefit amounts under the maximums: Colorado liberalized its formula; New Mexico, Nebraska and Massachusetts raised benefits slightly for some; Iowa added schedules for dependency allowances. But Arkansas, Florida and Oklahoma reduced benefit amounts for most claimants below the maximum, and North Dakota both eliminated dependency benefits and reduced the benefit formula.

Eight states liberalized the partial earnings allowances—California, Iowa, Maine, North Carolina, North Dakota, Utah, Vermont and Washington.

Six states with variable duration liberalized the formula for computing the number of weeks to which each claimant is entitled—Colorado, Florida, New Mexico, South Dakota, Washington and Wisconsin. Minor changes were made by Indiana and Iowa. These amendments to duration formulas were considered in estimating average potential duration in the bar chart.

Eleven states tightened up on their wage-qualifying requirements for eligibility—Arkansas, Florida, Idaho, Iowa, Kansas, Missouri, New Hampshire, North Dakota, Oklahoma, Oregon

\* EXENT OF PROTECTION UNDER STATE WORKMEN'S COMPENSATION LAWS\*\*

	ALABAMA	ALASKA	ARIZONA	ARKANSAS	CALIFORNIA	COLORADO	CONNECTICUT	DELAWARE	DIST. OF COLUMBIA	FLORIDA	GEORGIA	HAWAII	IDAHO	ILLINOIS	INDIANA	IOWA	KANSAS	KENTUCKY	Louisiana	MAINE	MARYLAND	MASSACHUSETTS	MICHIGAN	MINNESOTA
COMPELLORY LAW	•	•	•	•	•	•	•	•	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NO NUMERICAL EXEMPTION	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
EXTRATERRITORIAL RECEIPLICITY FOR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WAIVERS PROHIBITED	-	•	-	-	•	•	•	•	-	-	-	-	-	-	-	-	•	•	•	-	-	-	-	-
FULLY COVERED OCCUPATIONAL DISEASE	•	•	•	•	•	•	•	•	-	•	•	•	•	•	•	•	-	-	-	-	•	•	•	•
UNNECESSARY CLAIM DISABILITIES IN OCCUPATIONAL DISEASES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BENEFITS UNLIMITED MEDICAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STAUTORY AUTHORITY MEDICAL CARE	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
TOTAL COVERAGE INJURY FUNDS	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ADMINISTRATIVE CASH BENEFITS - ½ PDS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
WEEKLY WAGE 1957	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PERMANENT TOTAL DISABILITY FOR PERIOD OF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISABILITY BENEFITS TO MEDIUM DEGREE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>a</sup> Material Limited to Statutory Provisions. <sup>b</sup> Based on Study of Bureau of Labor Standards, U. S. Department of Labor.  
<sup>c</sup> Meets Recommended Standards.  
<sup>d</sup> Based on authority to order change in treating physician. <sup>e</sup> Average wages under covered unemployment insurance, 1957. <sup>f</sup> No provision in the law, waivers not permitted in practice, according to State workers' compensation agency. <sup>g</sup> Employee may reject coverage. <sup>h</sup> Scheduled coverage—very limited for radiation diseases. <sup>i</sup> Not specifically provided in law but authorities workmen's compensation agency to make such arrangements with other States. <sup>j</sup> Scheduled coverage including radiation diseases. <sup>k</sup> Law limits period or amount but authorizes administrative agency to extend without limit. <sup>l</sup> Exceptions to \$25,000 maximum; widow remarried; children under 18; children or widows physically or mentally incapable of self support. <sup>m</sup> Waivers can be granted but according to workmen's compensation agency, waivers have not at any time been permitted. <sup>n</sup> Employee has initial free choice of doctor but Industrial Commission may order change by giving employee right to choose from a panel of at least three doctors chosen by Industrial Commission.

and Wisconsin. Only one state, New Mexico, liberalized the wage-qualifying requirement.

Changes in disqualification clauses had been enacted in 12 states by July 1, most of them minor. The most severe restrictions were enacted in Colorado and Oregon and there was some liberalization in Iowa. In Michigan, employer efforts to redefine the employing "establishment" in order to nullify a Michigan Supreme Court decision have so far blocked desirable amendments.

Legislation to permit supplemental unemployment benefits to be paid concurrently with unemployment compensation has this year been enacted in Indiana, Ohio and California.

## Workmen's Compensation

During the past two years state central bodies have vigorously struggled to improve their workmen's compensation laws. However, the gap between the extent of protection provided and the goals set by the AFL-CIO has not been narrowed.

In April 1958, President Meany called labor's first National Conference on Workmen's Compensation in accordance with the resolution adopted by the 1957 AFL-CIO Convention. The state central bodies and the national and international unions warmly responded to that call.

The conference was the first of a series of activities to stimulate greater interest in the problems of the worker injured on the job. The AFL-CIO Department of Legislation mailed the August-September issue of Labor's Economic Review, which sets forth the goals of the AFL-CIO on workmen's compensation, to all members of the 48 state legislatures. The International Association of Industrial Accident Boards and Commissions was formally urged at its annual convention by the AFL-CIO Department of Social Security to cooperate with the Council of State Governments to secure uniform, minimum but adequate, standards in workmen's compensation.

## Radiation Hazards

On Jan. 30, 1959, the Committee on Atomic Energy of the National Association of Attorneys General and the Subcommittee on Workmen's Compensation of the Council of State Governments adopted workmen's compensation standards based for the most part on the recommendations of the International Association of Industrial Accident Boards and Commissions. In March 1959, the AFL-CIO Department of Legislation recommended to the Subcommittee on Research and Development of the Joint Congressional Committee on Atomic Energy that federal action is necessary now to meet the unique and national problems created by ionizing radiation. Legislation will be submitted to the committee to accomplish this objective—see section on Atomic Energy in National Legislation on page 212.

## **State Action**

Many state central bodies have submitted excellent briefs explaining and supporting proposed workmen's compensation legislation before their respective state legislatures; others have urged and won support for interim legislative study committees; still others have held statewide meetings to arouse support for improved programs. But in less than a handful of states have the state bodies been able to win more than benefit increases.

Only Massachusetts has joined Alaska, Arizona, the District of Columbia, Hawaii, and Puerto Rico in the last two years among the states paying maximum cash benefits in an amount equal to at least two-thirds of the state's average weekly wage in covered employment.

Little progress has been made in overcoming the major hurdles to effective protection of working people on the job: eliminating an elective for a compulsory law, wiping out numerical exemptions, prohibiting waivers, providing for reciprocity for extraterritorial coverage, extending coverage to all occupational diseases, providing that claims may be filed after date of worker's knowledge and date of disablement, extending unlimited medical benefits, granting statutory authority to supervise medical care, extending coverage to all handicapped under second-injury fund legislation, assuring maintenance benefits during rehabilitation, establishing an administrative agency, paying maximum benefits in an amount equal to at least two-thirds of the state's average weekly wage, providing benefits for the period of disability and extending death benefits to the widow until death or remarriage.

The chart on pages 142-143 indicates the tremendous gaps between the accepted goals of workmen's compensation and the extent of protection provided injured workers under state workmen's compensation laws. Out of a numerical total of 728 goals, states today meet the accepted standards in only 318 instances.

## **Health Legislation**

While unsolved problems in health and medical care are becoming increasingly acute, the possibility of more productive lives for all the people of the nation looms ever closer.

There is an urgent and immediate need for action to improve the health care available to many groups in the population, to encourage new developments in the financing and organization of medical care and to provide for adequate financing of medical education, medical research and medical and hospital facilities.

## **Federal Employees' Health Insurance**

The AFL-CIO has given strong and active support to proposed legislation to provide a sound program of health benefits to

employees of the federal government. S 2162, introduced by Senators Olin Johnston and Richard Neuberger, and passed by an overwhelming majority in the Senate in July 1959, incorporates several of the basic principles advocated by the Executive Council. See National Legislation page 224.

A similar measure has been introduced in the House by Rep. James Morrison and a number of his colleagues. The legislation in its present form provides an equal sharing of cost between the government and the employee; a choice by the individual employee from among various types of plans, including plans sponsored by government employee organizations and comprehensive group practice plans; full disclosure of the operations of participating plans and continuing studies of costs and adequacy of benefits; and continued coverage for retired employees.

### **Medical Education and Research**

The AFL-CIO continues to fight vigorously for necessary improvements and expansion in medical research and education. The Administration's budget requests for medical research both for fiscal 1959 and 1960 reflected the preoccupation with budget balancing that has overshadowed considerations of saving the lives of many and providing new hopes for millions. Uninhibited, however, by the timidity of the President's budget requests, House and Senate Appropriations subcommittees under the inspired leadership of Rep. John E. Fogarty and Sen. Lister Hill, have made their own thorough and painstaking appraisals, and have recommended appropriations at levels more in line with the potentials that will be realized through expanded research.

The appropriations to the National Institutes of Health were increased by \$83 million for fiscal 1959 to a total of \$294 million, and by \$106 million to a record \$400 million for 1960.

Appropriations of funds of these dimensions are more in line than are the recommendations of the Administration with the report of the Secretary's (Health, Education and Welfare) Consultants on Medical Research and Education which states that "the expansion of medical research and education required in the national interest will be costly and should not be restricted by lack of funds," and that the consultants "believe it conservative to project total national medical research expenditures of \$900 million to \$1 billion per year by 1970 . . ." There is no doubt that the increased appropriations also reflect a recognition by the American people of the importance of medical research and their willingness to pay for it.

#### **Urgent Need for More Medical Schools**

The AFL-CIO is supporting—without success as yet—federal assistance to medical education, urgently needed in view of the high cost of medical education and acute financial straits of most of the country's medical schools and the continuing serious short-

age of physicians. Legislation to provide the necessary funds has been introduced by Sen. Richard Neuberger and Rep. Fogarty. Despite the recommendation of the Consultants on Medical Research and Education that a minimum of 14 and as many as 20 new medical schools will have to be built if the existing ratio of physicians to population is not to fall even lower, and despite the fact that it has been clear for some time that existing medical schools cannot possibly provide for future needs without federal funds for operations as well as research, Congress has enacted no legislation to provide such assistance.

Federal funds are needed by medical schools in the form of grants for construction, expansion, equipment and maintenance of physical facilities; for research; for student scholarships; and to subsidize day-to-day operating costs. Such grants should provide incentives for the establishment of new schools, and for existing schools to expand enrollment. That this can be done without any adverse effects on the quality of medical education has been attested to by medical school deans and other respected authorities.

The 85th Congress authorized \$1 million in annual federal grants to assist schools of public health in their training activities. The AFL-CIO is supporting legislation in the present Congress to expand federal support of public health training through the provisions of HR 6871, introduced by Rep. George M. Rhodes.

The Health Research Facilities Act was renewed for a three-year period in 1958, with the support of the AFL-CIO.

A new program of international medical research is provided for in the "Health for Peace" bill, introduced early in the 86th Congress. It has passed the Senate and is awaiting House action.

### **Federal Grants for Hospital Construction**

Congress in 1958 extended for an additional three-year period the Hospital Survey and Construction (Hill-Burton) Act—despite urging from the AFL-CIO and other groups that there be a 10-year extension—and authorized the use of loans instead of grants under the program where recipient organizations prefer such an arrangement.

For many years the AFL-CIO has been urging Congress to appropriate the full amount authorized under the Hill-Burton Act for construction of hospitals and other health facilities in view of the continuing shortage of hospital beds throughout the country. While the excellent work accomplished under this program has helped to meet the need for additional beds due to population increases, the real gain in reducing total backlog has been minor.

The President's original request in the 1959 budget for \$75 million would have meant an inexcusable reduction in hospital construction. Even his later recommendation that the then

existing level of \$121,200,000 be retained was far from adequate, and Congress appropriated \$186,200,000 that year.

The Administration again proposed a cut in appropriations for 1960, this time by more than one-third of the previous year's funds. This proposed reduction came in the face of a Department of Health, Education and Welfare report that the broad purpose of the Hill-Burton Hospital and Medical Facilities Act to provide the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all the people has by no means been carried out, that "adequate facilities of many kinds are still lacking if a high quality of medical care is to be provided for all the people."

In full cognizance of the pressing need, the Senate voted to authorize the maximum allowed by the law, \$211.2 million. The final action on 1960 Hill-Burton funds was a \$186,200,000 appropriation.

### ***Assistance to Comprehensive Health Plans***

Broadened and revitalized support, spearheaded by the AFL-CIO in cooperation with the Group Health Association of America, has been obtained for legislation to provide federal long-term low interest loans to consumer-sponsored direct service health plans for construction of facilities needed to provide both ambulatory and bed patients with comprehensive prepaid medical care. Sen. Hubert H. Humphrey has introduced such a bill, (S 2009) which is awaiting congressional action.

The interest of the AFL-CIO in this measure arises from its policy position favoring the expansion of comprehensive health plans based on the group practice of medicine. One of the major obstacles to the wide-spread development of such plans is the difficulty of obtaining the necessary physical facilities. Proper physical facilities are essential to the economic operation of these plans, to the rendering of high quality care and to the recruitment of highly qualified medical and related personnel. Federal loans to assist these plans in acquiring such facilities may well go far in stimulating the growth of comprehensive plans.

The tax status of voluntary non-profit organizations providing medical and hospital care is currently under review. The AFL-CIO, along with a number of other interested groups, has taken the position that such organizations are entitled to tax-exempt status as "charitable" organizations, and is supporting legislation to amend the Internal Revenue Code accordingly.

AFL-CIO activity relating to proposals to provide hospital and other health benefits to the aged is covered on page 127 in the discussion of the Old-Age, Survivors and Disability Insurance program.

## **Welfare and Pension Plan Disclosure**

The AFL-CIO has long urged disclosure of information on welfare and pension plans not only to safeguard the interests of beneficiaries but also to satisfy a legitimate public and consumer interest in the honesty, integrity and efficiency with which these plans are administered.

The Federal Welfare and Pension Plans Disclosure Act was passed at the end of the 85th Congress in a form considerably diluted from that supported by the AFL-CIO. As enacted it is, however, a helpful step toward full public disclosure of the operation of welfare and pension plans. The act incorporates the basic principle strongly advocated by labor, that reporting and disclosure be required of all plans—except for those covering 25 or less employees—including those established on a so-called “level of benefits” basis.

The AFL-CIO supports amendments to the act to give to the Secretary of Labor additional authority in the operation of the act, to provide for an advisory council to consult with the secretary in the carrying out of his functions under the act, to make enforcement more effective and to provide that funds covered by the act not be subject to state disclosure laws.

The AFL-CIO has urged that sufficient funds be appropriated for the successful and efficient operation of the act, and has supported the Department of Labor in seeking such funds, so that the Bureau of Labor Standards will have adequate resources at its command to file, process and make information on these plans available to beneficiaries and the public.

No one knows how many plans there are, how many workers are covered, what benefits they receive or how much money has been contributed or accumulated in the funds, or what the funds are invested in. Compilation and analysis of such information could be exceedingly useful.

### **No Major Legislation Enacted**

Although a number of bills were introduced in the 1958 state legislatures relating to union health and welfare funds, no legislation of major importance was enacted.

Clarifying and strengthening amendments to the New York Employee Welfare Fund Act were approved and the Superintendent of Banks was required to post weekly on a bulletin board the names and locations of welfare funds registered with him or those registrations cancelled during the preceding week.

In Massachusetts, where a law to regulate welfare funds was enacted in 1957, a special study commission established in 1955 was directed to study several bills to amend, supplement or replace this law.

In Michigan, bills to regulate employe welfare funds was defeated, but a House interim committee was created to study the subject and make recommendations to the legislature.

## Health Insurance and Prepayment Plans

The sharp climb in the costs of health services of all kinds steadily continues. The rise in the medical care component of the consumer price index is greater than that of any other major component of the index, and there is reason to believe that the index underestimates the actual increase in medical care costs.

The high cost of health services results in intolerable financial difficulties for many families in the nation. It seriously affects the operation of health insurance plans which cover union members and their families through collective bargaining agreements, and impairs the protection which such plans provide.

Evidence is accumulating that prevailing health insurance plans are rooted in an institutional setting of medical care organization which is not adequate to meet the changing requirements of modern medical practice. As a consequence of these developments, several new trends are emerging.

In the past two years, 50 of the 79 Blue Cross plans in the



Trained medical technicians conduct diagnostic survey in unionized plant, one of labor's many health care programs.

country have initiated increases in rates. These have not gone unchallenged. Public hearings and legislative investigations of hospital costs have taken place in at least 12 states. Labor has consistently proclaimed its willingness to pay the costs of improved care, and the costs of much-needed improvements in the wages and working conditions of hospital employes. Labor has, however, objected to the attempt of many plans simply to transfer all cost problems and pressures in the provision of hospital and medical services to the pocketbooks of the subscribers.

As a direct result of labor's resistance to the substantial rate increases requested by the Blue Cross plans in New York and Michigan, large-scale studies are being undertaken in those two states under public auspices to examine the factors in rising rates such as hospital utilization, hospital organization, accounting practices, reserve ratios, benefit structures, etc. A broad study of medical and hospital costs in the District of Columbia has been announced by the Senate Committee on the District of Columbia.

The most far-reaching public action on a Blue Cross rate increase request was represented by the adjudication issued by the insurance commissioner of Pennsylvania, barring further rate increases until the plan took steps to curb unnecessary hospitalization, to effect operating economies in participating hospitals, to set up hospital reimbursement contracts that limit the use of premium income for expenditures that are of direct benefit to subscribers, and to see that a majority of Blue Cross board members negotiating with hospitals represent subscribers rather than hospitals.

### ***Direct Service Plans***

More and more unions are finding that their members are getting neither adequate health protection nor adequate financial protection through prevailing health insurance plans. There is a stepped-up search in progress for means to eliminate all economic barriers to needed care, and for institutional settings where medical facilities and personnel are organized in such a way as to encourage the provision of high quality care, and to make the costs of care reasonable. There is a growing conviction that methods of paying for care, and the care that people ultimately get, are inextricably related. As a consequence of these trends, there has been an increased interest in prepaid comprehensive, direct-service plans based on group practice.

The Executive Council has endorsed this trend, stating that:

"More effective use of health and welfare funds can be expected to result from a substantial expansion in the availability of comprehensive direct service health plans with the high quality of medical care that can be provided by doctors practicing in groups."

One noteworthy development of fairly recent origin in connection with the increased interest in direct service medical plans

is the use of dual or multiple choice arrangements in those areas where comprehensive plans are available. Many unions are negotiating plans containing such arrangements, which make it possible for individuals to choose between alternative types of medical care plans.

Attempts to hamper the operation of direct service medical care plans through state legislation in Kentucky in 1958 were successfully opposed, largely through the efforts of organized labor.

In Ohio, with significant and substantial aid from labor, a bill to permit consumers, in cooperation with physicians, to organize medical care plans was enacted in 1959.

### **American Medical Association Action**

The governing body of the American Medical Association, at its 1959 annual meeting, reversed its historic stand of stubborn opposition to health plans providing medical care through selected physicians and hospitals. The AMA House of Delegates approved a policy which calls for cooperation with such plans rather than opposition and obstruction, and which recognizes the right of consumers to choose from among alternate methods of providing medical care.

The American Medical Association's change of policy followed its receipt of a report by a special commission which studied prepaid medical care plans and found that plans which select their participating physicians give care of high quality, in many instances rendering care which is an improvement over the care previously available to their subscribers.

There is reason to hope that as a result of this action by the American Medical Association, state and county medical societies will be more willing to cooperate with labor and other consumer groups in the establishment and expansion of direct-service medical care plans throughout the nation.

### **American Labor Health Association**

The AFL-CIO has given active support for several years to the efforts of the American Labor Health Association (formerly the Association of Labor Health Administrators) to promote the development and expansion of direct-service health plans.

Under a grant from the AFL-CIO, the American Labor Health Association published three pamphlets to assist labor unions in their efforts to obtain improved medical care through such plans. These publications, "Your Right to Medical Care," "The Labor-Health Venture and the Law," and "The Physician and Labor Health Plans," have been and continue to be widely distributed.

In June 1958, the American Labor Health Association sponsored a highly successful National Conference on Labor Health Services. More than 400 persons participated and provided a forum for representatives of labor and many experts in medical

care to exchange information and opinions on how high quality health services can be made more widely available to labor union members and their families.

In late 1958 and early 1959, the American Labor Health Association undertook discussions with the Group Health Federation of America—another consumer organization dedicated to similar purposes—which culminated in a merger of the two organizations into the Group Health Association of America. The AFL-CIO pledged its support to GHAA at the first meeting of the merged organization, in May 1959.

Worker



and the Community

## Community Services

The years 1958 and 1959 have witnessed a sweeping expansion of labor's community services, and the results have been many and significant.

The American worker and his community have come to know the benefits of a working partnership in social welfare.

Labor's participation in community affairs is now recognized as indispensable as well as advantageous.

Through the ever-widening development of its community services, the AFL-CIO is furnishing sound evidence of its concern for the union member and his family beyond the plant gates.

Through the strengthening of community services, the American labor movement has taken on a new dimension—a dimension that reaches out to the total community and is not restricted to the collective bargaining table.

More specifically, Community Services has effected this degree of growth through its far-reaching priority programs, its network of disaster services, its extensive training schedules and its ability to focus public attention on vital social welfare issues.

### 1958 Program Priorities

Early in 1958, Community Services set in motion six priority programs—each designed to meet an important need or establish a new service in the American community.

Unemployment relief headed the list. Community Service Activities staff and volunteers in cities and towns launched comprehensive programs of assistance to the unemployed union member and his family. Ways were sought and found to expedite and extend unemployment compensation benefits and public assistance, establish or expand surplus food distribution programs, and to set up special facilities to meet the immediate needs of the jobless.



**Organized labor provided needed spark at community level to secure distribution of surplus foods to hungry families.**

Full use of the Salk polio vaccine was the second priority program. CSA's manpower, utilizing every principle of sound community organization, was responsible in many communities for reducing the cost of inoculations and stimulating mass inoculation programs.

Aware that the nation's hospitals are among the most important community institutions, Community Services used its program machinery in an effort to provide more adequate medical care to greater numbers of people through increased consumer and labor representation on hospital boards and committees.

The health measure, fluoridation, saw CSA spearhead educational campaigns in communities where tooth decay is still allowed to go unchecked despite the proven effectiveness of water fluoridation.

The current critical shortage of trained social workers also became a direct concern of Community Services in 1958 with CSA promoting a program it devised and termed "One Per Cent for Scholarships." The plan calls for United Funds and Community Chests to set aside one per cent of all funds raised in annual campaigns for scholarships in the social welfare field.

Recognizing that one of the country's major assets is the health of its people, Community Services designated community health education as its final priority program. A broad program, this priority covered the full-range of health problems confronting the American people.

### **Three Priorities in 1959**

At the outset of 1959, Community Services turned its attention to three new areas of health and welfare: consumer counseling, retirement planning, and the creation of a national health fund.

The consumer effort, conducted in cooperation with the Union Label and Service Trades Department, was the first major consumer information program ever launched on a mass scale across the country. Its major aim: to protect the hard-earned dollar of the American worker.

It was evident from the start that labor and community groups welcomed this new priority program. Courses, clinics and conferences dealing in consumer information were set up rapidly in a score of major cities. As union members and their spouses turned out for these sessions, it could be seen that once again Community Services was proving of value to the trade unionist and his family.

Seeking to develop an ever stronger pattern of service to the older worker, Community Services settled on retirement planning and the establishment of drop-in centers as its second priority program for 1959. Looking to its successful five-year pilot project in Lansing, Mich., where labor's Community Services created a drop-in center for senior citizens, and carried out a pre-retirement educational program and counselling for retired workers, Community Services felt this plan of action could be followed by other communities.

This decision to concentrate on the problems of the older citizen was based on the AFL-CIO's belief that just as the seniority of a job-holder earns respect and fair treatment, the seniority in years of a human being deserves no less. The program was designed to meet, in part, two needs—the need that is felt so deeply by a large group of the aged for companionship and social belonging, and the need to assist retired workers and especially those in the middle years, to understand more fully what is involved in useful and purposeful retirement.

Community Services has proposed the setting up of a voluntary federation of existing national voluntary health agencies for the purposes of raising funds once a year for all, allocating funds on the basis of relative needs and coordinating basic medical research as its third priority.

Our continuing relationship with the American Red Cross and the Federal Civil Defense Administration in disasters in the last two years make apparent again the need for a federal disaster

insurance program as a basic safeguard against personal and property losses which cannot be easily replaced by such voluntary welfare organizations as the Red Cross.

Major policies of the Community Services Committee are indicative of the wide range of social welfare interests and issues of concern to the AFL-CIO.

### **Blood Banks, Agency Fees**

Late in 1958 the AFL-CIO, through Community Services, called for the development and maintenance of a national blood program to remedy current abuses in the field of blood banking.

The policy statement urged that a national uniform voluntary system of blood banks be established, and that blood and blood derivatives be made available without cost for the blood itself. It stressed that hospital and laboratory charges for administration and testing of blood be maintained at a minimum, and that all blood banks should operate under the uniform licensing standards as prescribed by the United States Public Health Service and the accreditation standards adopted by the Joint Blood Council. It emphasized also that there should be no segregation of blood or blood derivatives along racial lines.

Crystallization of labor's position on fee charging by volun-



Typical of Community Services role was contribution of union skills and funds to build Fresno, Calif., Boys' Club.

tary community agencies also came in an official policy statement endorsing the establishment of minimal fees with the proviso that under no condition should a voluntary agency use a means test as a basis for payment. The AFL-CIO held that a sliding scale of fees is unsound because it encourages a means test. Ability to pay should not be the determining factor, and no fee should be charged at all—even by agencies with established fees—to the person who claims inability to pay, it added.

The AFL-CIO maintained that people able to pay more than the established fee for services rendered by a United Fund or Community Chest member agency can express their appreciation by contributing more generously to the Community Chest or United Fund.

The AFL-CIO also called for two major conferences to be scheduled in the community services field—one centering on the problems of our aging population, the other to focus on social services in order to discover more effective ways of meeting the health and welfare needs of our Puerto Rican fellow citizens.

In the broader field of health, the AFL-CIO pledged its support of the proposal to inaugurate an international health and medical research year.

To add impetus to the training program of Community Services, the AFL-CIO moved to explore the possibility of developing a training center in labor participation in community organization. The training center, as envisioned, would be under the joint auspices of the AFL-CIO and several national voluntary health and welfare groups and would be set up for both staff and volunteers of Community Services.

### ***Juvenile Delinquency***

Labor is concerned about the growing juvenile delinquency problem. The prevention and cure of juvenile delinquency call for concerted action on the part of all segments of community life, including the home, the church, the school, the social agency, and the labor union. Economic, social, political and spiritual forces must be brought to bear on this problem. Labor, through its community services program, has been working with many of these forces in making a contribution in this regard. One program aimed at strengthening the youth of the nation and our communities' social services is the experimental Citizen Apprenticeship Program which Community Services developed in Sharon, Pa., in the last two years.

In the last two years Community Services also sparked hundreds of major humanitarian deeds and smaller acts of compassion and mercy on the part of union members and labor organizations across the country. These ran the gamut from the building trades erecting an entire Crippled Children's Center through volunteer labor in one community to a local union purchasing braces for a crippled child in a different town.

Through its many programs, Community Services is helping to create a more wholesome atmosphere in American communities. It is helping to make social agencies more representative of the people and more responsive to people's needs. It is also serving to create generally a better receptivity among citizens for labor's point of view and philosophy.

### **Murray-Green Award**

Contributing greatly to the community-oriented AFL-CIO program is the Philip Murray-William Green Award, consisting of a \$5,000 grant and a suitably inscribed medal. It was established by the Executive Council to give recognition to an individual or organization that has made an outstanding contribution in the general areas of community organization, health, welfare and recreation.

Last year the award was given to Bob Hope at a dinner in Beverly Hills, Calif., in recognition of his outstanding contributions to the health and welfare of the men and women in our armed forces.

This year, on Nov. 16, the award will be presented to former President Harry S. Truman at a dinner in Kansas City, Mo.

The first two awards since the merger were presented in New York to Sen. Herbert H. Lehman in 1956 and to Dr. Jonas E. Salk in 1957.

## **Housing**

After falling to extremely low levels in 1956 and 1957, housing activity expanded somewhat during the following two years. Nevertheless, the annual rate of housing starts of about 1.2-1.3 million in 1958-59 was far less than the minimum need for construction of at least two million houses and apartments a year.

With residential construction lagging far behind housing requirements in every year since World War II, it is not surprising that millions of American families are still forced to live in dwellings that do not meet minimum standards of health and livability. According to the most recent government survey, more than 13 million families are living in substandard houses. Indeed, there is little chance for improvement in housing conditions until a much larger number of homes are made available at rents and selling prices within the means of low- and middle-income families.

Unfortunately, the Administration has demonstrated neither interest nor sympathy with the urgent need for millions of ordinary American families for decent homes. Instead, it has focused its attention almost entirely on housing programs providing financial assistance to speculative builders and mortgage financiers for housing which only higher-income families can afford. Even the cost of these houses has increased as a result



**Union-sponsored housing project helps replace disease-infested slums with decent housing for the nation's needy families.**

of the Administration's insistence on ever higher interest rates for houses financed with mortgages guaranteed or insured by the federal government.

### ***Public Housing and Urban Redevelopment***

With millions of low-income families still living in dilapidated hovels and slum tenements, the need for a large-scale, low-rent public housing program is greater than ever before. Despite all the unfounded charges hurled, low-rent public housing is the only effective means to make decent homes available to low-income families.

It is therefore particularly regrettable that the congressional authorization in 1949 for 810,000 low-rent public housing units to be built over a period of six years has never been carried out. In fact, more than a decade later, less than 30 percent of the units authorized in 1949 have been completed.

Lack of public housing has also adversely affected slum clearance and urban redevelopment programs in cities throughout the country. The success of the entire urban renewal program has been jeopardized by the lack of decent housing within the means of families displaced by urban renewal and other public projects. Since so many of the displaced families are in the low-income group, their housing needs can be met only by low-rent public housing.

The problem has been particularly acute for Negroes and members of other minority groups. Such families, which constitute a large proportion of those displaced by urban renewal, are at a particular disadvantage because they are virtually barred by

discriminatory practices, low income or both, from the market for new privately built housing.

In the face of these and other problems, hundreds of communities throughout the nation are nevertheless going forward with imaginative slum clearance and urban redevelopment programs aimed at reviving and rebuilding metropolitan communities to meet mid-Twentieth Century requirements. The enthusiastic efforts of officials and citizens in these communities have been hampered, however, by the inadequacy of the funds recommended by the Administration and made available by Congress.

### **Housing Legislation**

The AFL-CIO has continued to press for enactment of comprehensive, forward-looking housing legislation geared to the total housing requirements of the nation. We have especially urged expansion of the low-rent public housing and urban redevelopment programs and have supported proposals for low-interest, long-term financing for housing for middle-income families and the elderly.

In the face of tremendous housing needs and despite determined efforts by labor and other pro-housing forces in and outside of the Congress, the record of housing legislation during the past two years has been quite dismal. The blame for this situation can be placed almost entirely on the Eisenhower Administration and on a minority reactionary coalition in the Congress which has supported the Administration's do-nothing housing policy.

The one bright spot in the housing legislation picture during the past two years was enactment of the Emergency Housing Act early in 1958. Passed in the midst of the 1957-58 recession as an anti-recession measure, this law provided \$1.85 billion principally for financing moderate-cost housing. The pick-up in housing construction activity in the latter part of 1958 and in early 1959 can be almost entirely attributed to this legislation.

All efforts to enact comprehensive housing legislation in 1958 and through the early summer of 1959 have been thwarted. In the closing hours of the congressional session in 1958, a housing bill, previously bottled up by a reactionary coalition in the House Rules Committee, failed by six votes of the necessary two-thirds majority in the House required under the procedure used to by-pass the committee.

In 1959, a moderate but essentially forward-looking housing bill strongly supported by the AFL-CIO passed by substantial majorities in both houses of Congress, but was nevertheless vetoed by the President. This bill would have extended the urban renewal, public housing and college housing programs, established a new program of housing for the elderly, provided financial assistance and authorized improvements in the cooperative

housing program and restored depleted authority to insure home mortgages under the FHA program.

It was a moderate bill aimed at assuring at least a reasonable level of housing activity and a beginning in providing decent homes for the worst-housed groups in our population.

The outlook for further action on housing legislation was uncertain as this report went to press. (See Supplemental Report Page 375).

### **AFL-CIO Housing Activity**

The AFL-CIO Housing Committee, under the vigorous leadership of its chairman, Vice President Harry C. Bates, has continued to provide coordination and leadership of the housing efforts of organized labor. In its fight to obtain better housing for all American families, the committee has benefitted from the assistance and cooperation of the Department of Legislation. As in the past, we have also maintained close relationship with the National Housing Conference.

The Housing Committee also has cooperated with our affiliates in various sections of the country which have successfully sponsored cooperative housing developments at reasonable cost for union members and other middle-income families. In addition, the committee has given support and assistance to the members of our local affiliates who have taken an active part in housing, urban redevelopment and metropolitan planning activities in their local communities.

Boris Shishkin, secretary of the Housing Committee, has carried on its staff work, assisted by Bert Seidman of the Department of Research. This work has been aided by major assistance from the staffs of the Veterans and the Community Services Committees of the AFL-CIO.

### **Education**

The American labor movement has always supported free public schools. It first urged their establishment and, later, their expansion and improvement. This position was based on a need which could not be universally met without public schools and on the broader basis that a democracy must have an informed citizenry if it is to function properly. These trade union premises and policies have met steady and even violent opposition on occasion. American labor persisted, however, and today every state boasts a free school system.

It is because of this traditional support of free schools and because of organized labor's special interest in them that the AFL-CIO today feels such grave concern for the state of American public education. The situation of our schools is critical and it is rapidly becoming catastrophic.

At the beginning of the last school year a year ago we had

24,181 secondary school and 68,156 primary school "teachers" in the United States who lacked standard credentials. These 92,337 persons did not meet the educational or experience standards of their own states and so were on sub-standard "emergency" certificates. The "emergency" is becoming a permanent feature of the teacher shortage.

The average teacher's salary in 1957-58 was only \$4,520. Many leave the field each year and are not replaced by new teachers, since even those who study and want to follow teaching must make a great sacrifice to accept a job with a median beginning salary of a little over \$3,600.

### ***Classroom Shortage Unsolved***

Not long ago a public school in New York City burned, fortunately in the early morning when no students were present. It served to remind the New York Times, which editorialized on the point, that the school had been built in 1890 with a new wing added in 1899. The Times further noted that that richest of cities was using one school which dated back to 1841—twenty years before the Civil War began. One quarter of the school buildings being used in New York City are more than 50 years old. It requires little imagination to guess the vintage and safety of the schools in much of rural America.

The estimate for the school year beginning September 1958 made by the state school agencies and compiled by the United States Office of Education was that the nation then needed:

- 65,300 classrooms to house overflow
- 75,200 to replace obsolete or otherwise unsatisfactory facilities

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#### **140,500 Total classroom shortage**

This involves no projections as to increasing school-age population or rate of obsolescence of buildings or educational adequacy of buildings. These are the minimum 1958 figures.

New construction has not solved the problem, nor will it. Arthur Flemming, secretary of the Department of Health, Education and Welfare, has admitted that it is not certain that new construction will continue at its present rate.

The federal estimate for the school year beginning 12 months ago was that we were nationally 1,843,000 over normal classroom capacity in public school enrollment. This means that 5.4 percent of our total enrollment is in excess of capacity.

For several years now the standard 12-year primary-secondary education has been universally established. With the child labor laws and compulsory school attendance laws which trade unions supported being enacted in the states, more and more—though not yet all of our children—are receiving an education through high school. For the space age this level, once a high goal, has become a bare minimum.



**Labor, long a champion for public schools, fights for aid to school construction and decent teachers' salaries.**

### **Federal Scholarship Program Needed**

For America to regain both the moral world leadership and the technological preeminence it once enjoyed, it must provide universal education to the limit of the individual's ability to profit by it. Only this step can stop the horrible waste implicit in thousands of our top high school graduates ending their studies at that point. Only a broad federal scholarship program can provide a general social right to education through college, or its equivalent, for our most able students.

With this in view the AFL-CIO has urged the Congress to adopt a nationwide scholarship program for our most able youths, without restriction as to the course or institution of study chosen and without any means or need test. This could be America's decisive answer to the Soviet educational threat and it could be our most important social advance of this century.

In general terms, then, the AFL-CIO has been urging and supporting a legislative program designed to provide federal aid for teachers' salaries, school-room construction and college scholarships.

In none of these areas have we yet realized substantial success. The major educational enactment of the 85th Congress was the National Defense Education Act—Public Law 85-864.

### **National Defense Education Act**

This law contains 10 titles. Its substantive elements provide: loans to undergraduate students with "special consideration" to

those selected students planning to study teaching, languages, or exact sciences; financial assistance to strengthen science, mathematics, and modern language instruction; grants for graduate fellowships in education; grants for guidance, counseling and testing; aid for language development through language institutes and otherwise; research and experimentation in audio-visual teaching aids; area vocational education programs; science information service; and grants to improve the statistical services of state educational agencies.

While completely inadequate to meet the national need, the National Defense Education Act of 1958 does contain much that is of value. For example, America does need improved and realistic testing, guidance and counseling based on a recognition, among other things, of the skill, ability requirements and dignity of manual workers.

Likewise, a program designed to provide more adequate statistical information, through the U.S. Office of Education, would be most helpful. There can be no question that emphasis on modern languages, teaching and the natural sciences is proper; we object however to the act's imbalance on this score. The act ignores the need for more substantial federal aid in philosophy, the arts, communications, sociology, law, international politics, and a wide variety of other fields which make America defensible and worthy of defense. The law provides no general aid for teachers' salaries, school construction, or college scholarships.

Not only is the National Defense Education Act lacking in its terms; its administration has also proven faulty. Particularly in application of Title VIII, the Office of Education has shown a disregard of the realities of both the role of vocational education and the importance of the apprenticeship programs.

#### Federally Impacted Areas

Another piece of education legislation passed by the 85th Congress was HR 11378, a bill to extend Public Laws 815 and 874 until June 30, 1961—Public Law 85-620.

The major provision of Public Law 85-620 is the recognition of the continuing and permanent responsibility of the federal government to provide financial assistance in the construction and operation of schools in areas affected by federal activities.

In the case of children or persons who reside and work on federal property, the programs are established on a permanent basis. Insofar as the programs relate to other children, the law extends such programs until June 30, 1961.

#### School Support Act of 1959

In the second session of the 85th Congress, the Subcommittee on General Education of the House Education and Labor Committee conducted hearings on the Metcalf bill HR 10763 and on July 2, 1958, reported the bill to the full committee. The bill

provided grants to the states for school construction and teachers' salaries. It was a substitute for the Thompson school construction bill which was blocked in full committee by a vote of 15 to 15. The full committee failed to take any action on HR 10763 in the 85th Congress.

When the 86th Congress convened, Rep. Lee Metcalf immediately introduced HR 22, a bill identical to HR 10763 which died in the House Labor Committee last year. A companion bill to HR 22, S 2 was introduced by Sen. James Murray in the Senate.

Hearings were immediately conducted on these bills in both the House and the Senate and on May 14, 1959, the House Education and Labor Committee ordered reported HR 22 as amended.

The bill as amended by the subcommittee authorizes appropriations to be made for each fiscal year of a four-year period beginning July 1, 1959, of \$25 multiplied by school age population. This amendment establishes a terminal date where none existed in the original bill and eliminates the escalator clause. For the four comparable years, the amendment reduces the appropriation from \$11.4 billion to \$4.4 billion. The bill was pending before the House Rules Committee as this report went to press.

Even as modified in the House Labor Committee, the bill provides substantial aid to the states for teachers' salaries and/or school construction. The amounts are inadequate but it constitutes a start.

In the Senate, the Subcommittee on Education of the Senate Labor and Public Welfare Committee concluded hearings on S 2 on Apr. 15, 1959. (See Supplemental Report Page 375).

#### **General Extension Act of 1959**

The Committee on Special Education of the House Education and Labor Committee held hearings May 26 and 27 on HR 357 introduced by Rep. Carl Elliott, a proposal to provide financial assistance to the states for further development of the publicly supported general extension programs conducted by land-grant colleges and state universities. Further hearings are scheduled.

In the Senate, a similar bill introduced by Senator Lister Hill, S 648, is still pending before the Subcommittee on Education. No hearings have been scheduled.

The AFL-CIO will present testimony before the committee in support of this legislation.

#### **AFL-CIO Scholarship Program**

In 1959 the AFL-CIO initiated an annual four-year merit scholarship program, consisting of six scholarships of approximately \$6,000 each, awarded to high school students of exceptional ability, in cooperation with the National Merit Scholarship Corporation.

Under the plan, the country is divided into three zones, two



KOLE



ZARS



EHRET



OLSON



KENNEDY



HEADLEY

Six high school students, from union and non-union families, were the first winners of AFL-CIO Merit Scholarships.

scholarships being awarded in each: one for the child of a current member of an affiliated union and the other unrestricted. Students qualify by passing with high scores the NMSC's examination and the College Entrance Examination Board's Scholastic Aptitude Test. Scholarship winners may take any course desired at any accredited college or university in the United States.

Recipients of the AFL-CIO Merit Scholarships for 1959 who are children of AFL-CIO members are:

Bruce Kole of Oak Park, Mich. His father was a member of UAW Local 157 in Detroit. Bruce is a member of Retail Clerks Local 876. He will take a pre-medical course at Wayne State University.

David J. Kennedy of Louisville, Ky. His father is a member of Post Office Clerks Local 4 in Louisville. David will study at Notre Dame University.

Richard J. Olson of Council Bluffs, Ia. His father is a mem-

ber of Division 6, Nebraska Division of the Order of Railroad Telegraphers. Richard will study at the Massachusetts Institute of Technology.

The recipients of the unrestricted scholarships are:

Joyce E. Zars of Bellwood, Ill., who will study at the Massachusetts Institute of Technology.

L. Clyde Headley of Harts, W. Va., who will study at West Virginia University.

Christopher P. Ehret of Santa Paula, Calif., who will study at the California Institute of Technology.

## **Labor and the Churches**

The AFL-CIO, realizing that the forces of religion and labor have so many aims and objectives in common, seeks through its Office for Religious Relations to interpret the labor movement to the various religious bodies in our country and to encourage trade union members to join the church or synagogue of their choice and to take an active part in the work of their religious organizations.

Our program of relations between labor and religious organizations is carried out through the distribution of AFL-CIO publications, particularly through the pamphlets "Religion and Labor" and "Why Unions?"; through its "memorandums" setting forth significant pronouncements of Protestant, Catholic and Jewish religious organizations on the outstanding ethical, economic and labor issues of the day; through its mailing of the Labor Sunday and Labor Day statements of the National Council of Churches of Christ in the U.S.A., the National Catholic Welfare Conference, and the Synagogue Council of America, and through the addresses and lectures of Charles C. Webber, the AFL-CIO Representative for Religious Relations.

The religious organizations—Protestant, Catholic and Jewish—and their leaders, in the months since the 1957 AFL-CIO Convention, have continued to speak out through their national, state and local bodies on the great social, economic and labor issues confronting the American people.

That the forces of religion and labor have many common aims and objectives is evident from the following statements and pronouncements in which religious organizations have taken a stand on major issues of mutual concern:

### **On Labor-Management Relations**

In their Labor Day and Labor Sunday Messages and in other of their "policy statements" and "pronouncements," while supporting vigorously every gain made within labor and in labor-management relations in the direction of democracy, they have called upon both labor and management to eliminate corruption and injustice.

Alarmed at the campaign in the public press, on TV and over the radio to discredit free collective bargaining they have reiterated their half-century old stand for "the right of both employees and employers to organize for collective bargaining."

They have also made it very plain "that in the collective bargaining process there should be recognition of the fact that negotiation requires the existence of recognized entities, each respecting the right of the other to exist."

#### **On the So-Called 'Right-to-Work' Laws**

Deeply concerned about the reactionary movement to persuade state legislatures as well as Congress to adopt so-called "right-to-work" laws, they have labeled them as "fraudulent"—as compulsory "open shop" legislation.

Union membership as a condition of continued employment, they have declared, "should be neither required nor prohibited by law but should be left to negotiation between statesmanlike labor and statesmanlike management."

#### **On Unemployment**

Faced with the tragic suffering that millions of unemployed fellow Americans are undergoing through no fault of their own, Protestant, Catholic and Jewish religious leaders have publicly asserted that "large-scale unemployment or long continued unemployment for any considerable number of persons able and willing to work is intolerable."

They have supported unemployment compensation and have maintained that "adequate compensation will require an increase in the amount, duration, and coverage now available under present laws."

They have called upon their members "to participate actively as citizens in community, state and national programs—including the retraining of workers—which will put workers back to work."

#### **On Minimum Wage**

Realizing the great importance of adequate purchasing power in the hands of the great majority of the American people they have resolved repeatedly "that the principle of minimum wage legislation, federal and state, should be supported as a practical and proven means of assuring at least the minimum standard of living necessary for the maintenance of health and decency for family living today and should be extended to all workers."

#### **On Race Relations**

Recognizing that "God is no respector of persons because of the color of their skins," they have supported and are continuing to support the 1954 decision of the U.S. Supreme Court requiring the desegregation of our country's public schools.

In addition, they have urged their members "on religious

grounds to work against discrimination in churches and synagogues and other religious institutions, in trade unions, in employment, in housing, and in educational and recreational organizations and facilities, both private and public."

## **Apprenticeship and Vocational Education**

The problem of training apprentices continues to be of major concern to all unions covering apprenticeable crafts. Since the report to the last convention statistics compiled by the Department of Labor's Bureau of Apprenticeship and Training indicate that apprenticeship received a setback due to the recession.

In January 1958 there were 186,408 apprentices registered in all trades; at the end of the year this number had dropped to 177,695.

These figures do not reveal the number of apprentices who may have been furloughed or temporarily suspended from training but who are still counted among the registered apprentices.

Unquestionably the demand for skilled workers continues to increase. Our recognized apprentice programs are failing to turn out anywhere near the number of skilled journeymen needed each year to offset even the number of skilled workers leaving the labor force through death or retirement—let alone to meet the increasing demand for additional skilled workers.

We must do more to promote apprentice training if we are to assure an adequate supply of workers with the highest possible skills needed to keep pace with our technological developments and population growth.

The number of completions and cancellations has been exceeding the number of new registrations. There were over 28,000 cancellations last year and almost 30,000 completions, while our total new registrations were slightly over 49,000.

These statistics deal only with registered apprentice employment, with state apprenticeship agencies, or the Bureau of Apprenticeship and Training. They do not tell all the story, for not all apprentices are registered.

### ***Need for Information***

There is urgent need for more comprehensive information on how the nation is meeting demands for skilled labor through apprenticeship programs. We need to know the number of apprentices in training for each of the trades and how many actually complete training. This information should then be correlated with information on the number of journeymen in each trade and the rate of journeymen loss through death, retirement and other reasons.

Unions have continued their efforts to extend and improve their apprenticeship programs and these efforts have not slackened during the recession in employment.

Unions are giving increased attention also to the development

of the technical knowledge and skills of their journeymen. If a journeyman is to keep up with the demands for increased and new skills coming with the rapidly changing industrial picture, it is imperative that he be able to acquire the further training and knowledge to allow him to cope with the new techniques which have developed since completion of his training. Proper and thorough training for journeymen facilitates apprenticeship training.

One successful method for arousing the interest of journeymen in further training courses is carrying out sound, up-dated apprenticeship programs in their areas and establishments. When skilled journeymen see that apprentices are acquiring knowledge and skill which they themselves don't have, they are frequently encouraged to request courses which will give them the same knowledge and technical information.

Considerable emphasis has been given in past reports to the need for improving the on-the-job training of apprentices. Surveys of apprentices who have completed training demonstrate that job training is the weak spot. Some former apprentices indicate that they are not given a sufficient variety of work experience. Some indicate that the journeymen to whom they were assigned were not good instructors. The urge for production may have kept them on certain jobs in which they had developed a high degree of productivity, at the expense of their having adequate opportunity to work at other jobs relating to their trade.

Such complaints would not arise if those responsible for the operation of the apprenticeship program checked the apprentices'



**Helmeted young men watch intently as master craftsmen explains welding art in union-sponsored apprentice training program.**

job training at least once a month and had the authority to move the apprentices to different operations in accordance with the established training schedule.

The union members of joint apprenticeship committees might initiate a series of discussions on methods for improving the job training of apprentices. Films on teaching methods will stimulate discussion and speakers may also aid in obtaining the needed improvement.

The survey of former apprentices made by the Bureau of Apprenticeship and Training of the Department of Labor traced the careers of men who had completed their training five years before and obtained their views on the value of their training. This study is now available in pamphlet form from the Bureau of Apprenticeship and Training, U.S. Department of Labor at Washington, or at its field offices.

Apprenticeship is still plagued with the same basic problems it has faced for years. However, now more than ever, in our rapidly changing industrial technology, it is imperative that we work ceaselessly to produce, through rounded apprenticeship programs, fully trained journeymen competent to exercise the skills and knowledge required to meet the broadening challenge of the skilled craftsman.

### ***Vocational Education***

The interest of the labor movement in the need for developing a form of vocational or industrial education as an adjunct to our public school system and controlled by the public, was recognized early in the century. The unions urged that if such education was to be sound it must be brought under public control and maintained with public funds to free our so-called industrial education from the control of private trade schools and corporation-dominated institutions.

It was emphasized from the first that public support of training facilities in public schools should not be designed or used to replace apprenticeship where skill and knowledge was gained from working directly on the job as well as through related classroom training.

The full support of the trade union movement was extended to the enactment of the basic legislation in this field—the Smith-Hughes Vocational Education Act and the George-Barden Act.

This past year there were nearly one million persons taking some sort of trade and industrial education courses, an increase over those taking such courses the previous year. The total falls into four categories, with roughly 28 percent enrolled in full-time school preparatory programs; 53 percent in some form of occupational training, such as full-time workers taking training to improve their knowledge and skill; 16 percent in courses related to apprenticeship training programs; and about 3 percent in cooperative education programs.

In view of our experience with the Office of Education of the Department of Health, Education and Welfare, in connection with its administration of Title VIII of the new National Defense Education Act, which provides for area vocational education programs, we believe it imperative that trade union representatives, particularly at the state and local levels, exercise every effort to participate through the advisory committees in their states and areas.

The Office of Education action makes it more important that trade union representatives function actively so that the funds available under the Smith-Hughes and George-Barden Acts are spent on vocational programs formulated and developed with the practical advice and counsel of both labor and management from the particular occupational field involved.

Trade union representatives, especially at state and local levels, must be extremely alert to ascertain that area vocational education programs which may be instituted under Title VIII of the National Defense Education Act do not, under the guise of so-called "technician training," invade the recognized apprentice training areas and programs. A two-year so-called "technician training" program can never produce fully skilled and technically competent journeymen craftsmen.

From our experience we know that this requires four or five years of apprentice training, including both direct training on the job under the tutelage of skilled journeymen and the related classroom instruction—often given in the vocational schools. But the planning is clearly a responsibility of labor and management in connection with the development of a workable and sound apprenticeship program.

### **Veterans' Rehabilitation**

The Veterans Administration administers two separate programs offering education or training to veterans of World War II or the Korean conflict. One program is designed specifically to meet the needs of disabled veterans, the other to aid returning servicemen in their readjustment to civilian life.

The Vocational Rehabilitation Program for Disabled Veterans is adapted to meet the needs of individual disabled veterans. As of Apr. 30, 1959, 60,000 disabled veterans of the Korean conflict had entered training under this program, more than one-third of them for trade and industrial occupations.

During the past school year, approximately 11,700 Korea veterans and 1,500 veterans of World War II were training under this program. The relatively small number of World War II veterans currently in training is because the program providing for the rehabilitation and restoration of employability for disabled World War II veterans ended on July 25, 1956 for all but a few thousand who had been unable to train earlier.

Approximately 600,000 disabled veterans of World War II

have received rehabilitation training. Two of every five pursued training on-the-job.

The Readjustment Training Program is much the larger of the two programs because practically all the veterans of World War II and the Korean conflict were eligible. Under this program, veterans may elect to take their readjustment training in any approved course in colleges or other schools such as vocational, technical or trade schools. They also may train in approved on-the-job courses, in industrial establishments, either in an apprenticeship for three years or for two years in other training on the job.

As of Apr. 30, 1959, more than 2 $\frac{1}{4}$  million of the approximately 5 $\frac{1}{2}$  million Korea veterans had entered training. One-third enrolled in other schools such as vocational, technical and trade schools. Approximately one-tenth of them trained on-the-job—three of every five were enrolled in apprenticeship programs.

During the past school year more than a half million Korea veterans were in training under this program. Approximately half of all the veterans of World War II received education and training under it.

### ***The 'Technician' Problem***

Congress last year passed Public Law 85-864, The National Defense Education Act of 1958. The theory back of this law was that the national security requires the fullest development of the mental resources and technical skills of our citizens and making available more adequate educational opportunities. The law provides substantial assistance to individuals and to the states.

A portion of the law which concerns us greatly is the section dealing with area vocational education programs, Title VIII. Under this title Congress finds that the programs of vocational education which the states have established and carried on with assistance granted under the Smith-Hughes and the George-Barden Acts, "need extension to provide vocational education to residents of areas inadequately served and also to meet national defense requirements for personnel equipped to render skilled assistance in fields particularly affected by scientific and technological developments."

Congress also set forth as the purpose of this title to provide assistance to the states to "improve vocational education programs through area vocational education programs . . . providing vocational and related technical training and retraining for youths, adults and older persons, including related instruction for apprentices designed to fit them for useful employment as technicians or skilled workers in scientific or technical fields."

This was accomplished by amending the Vocational Education Act of 1946, (the George-Barden Act) by adding a new title

providing for such programs and authorizing appropriations for them.

The provisions of Title VIII of the National Defense Education Act, as the bill was reported by committee, were relatively unobjectionable in that the funds authorized could be used for extending vocational education programs in areas inadequately served, improving existing vocational programs by providing vocational and related technical training for skilled workers—including related instruction for apprentices, in addition to providing for technician training.

The intent and purpose of the bill insofar as Title VIII was concerned, was severely curtailed by a floor amendment offered by Sen. Prescott Bush, which amended the section dealing with appropriation of funds so that such funds could be used only for the training of individuals, "to fit them for useful employment as highly skilled technicians in recognized occupations requiring scientific knowledge . . . in fields necessary for the national defense."

### **Labor Not Consulted**

The Office of Education of the Department of Health, Education and Welfare, without prior consultation with any of the interested labor or management groups, proceeded to issue to the states proposed regulations, bulletins, and circulars describing how Title VIII must be interpreted and how such programs must be administered. These published documents came to our notice only after their issuance and distribution to the states. Programs of a similar nature, in the past, have been developed with the advice and cooperation of labor and management committees representing the industries affected by such programs.

Despite the repeated references in the law itself to the training of persons for employment as skilled workers, including related training for apprentices in addition to its references to training of "technicians," the Office of Education seized upon the one point in the entire title, Section 303 (a) (3), where reference is made to the training of "highly skilled technicians," as an excuse to limit the use of funds exclusively for the training of "technicians," a term it has thus far not defined.

This hybrid occupation of "technician," the Office of Education says, lies between the skilled crafts and the scientific professions and is one in which most of the individual's work "is concerned with application of technical knowledge and technical understanding in contrast with manipulative skill."

The Office of Education would have us believe that the skilled craftsman uses his manipulative skills more than he uses his brain, while the so-called "technician" would use his brain more than his hands. The Office of Education would create these "technicians" through school instruction for about two years above the junior high school level but below full college level.

When asked to describe the training required of such a "technician" the Office of Education describes in almost perfect detail a part of apprentice training programs, which we recognize as only one of the training requirements necessary to produce a fully qualified journeyman.

The Office of Education, through its regulations, bulletins, and circulars indicates that it will produce these so-called "highly skilled technicians" in two years or less. They would fall above the skilled crafts but below the scientific professions. Recognized apprentice programs for journeymen craftsmen take four or five years of intensive training both on the job and in the classroom.

The Office of Education arbitrarily listed examples of occupations which generally it would not consider as necessary for national defense, and included in this list building construction.

### ***Apprentice Training Endangered***

Another issue raised by the regulations issued by the Office of Education is that the new law provides for the transfer of funds from existing vocational programs under the Smith-Hughes Vocational Education Act and the George-Barden Act to this new program. The regulations, as promulgated by the Office of Education, would limit the use of such funds exclusively to the training of "technicians." This could result in the eventual starvation and destruction of our existing apprenticeship and journeyman training programs.

The law, as interpreted and applied by the Office of Education, endangers the continuation of regular apprentice training programs and will make it more difficult for journeymen to obtain the additional training to meet the growing technical demands of their work. It will result in dumping onto the labor market many thousands of partially trained youths who will be used by shortsighted management to downgrade the established crafts.

The trade union movement must exert every effort to amend the National Defense Education Act to prevent the Office of Education from continuing to pursue its present course. We must make certain that the funds authorized will be used for area vocational programs, including related training for apprentices and journeyman retraining programs, and will provide the needed extension of the excellent programs of vocational education established by the states with federal assistance.

This effort on the part of the Department of Health, Education and Welfare to destroy real vocational training and apprenticeship and substitute for it the training of "technicians," represents a distinct departure from the traditional practices heretofore supported by labor and industry and deserves the full attention of the AFL-CIO in preventing the extinction of craft practices and training as we know them.



For altogether too many years the historical pattern of development of the American safety and occupational health movement has been characterized by the phrase "progress through tragedy." It is the considered judgment of the AFL-CIO that a more sensible method of preventing deaths and injuries should be adopted immediately and that the American trade union movement can provide the leadership required.

Wage earners—both organized and unorganized—bear the brunt of an ineffective safety movement and it is altogether proper that the AFL-CIO should initiate more realistic measures to prevent needless death, dismemberment and other forms of accidents.

The keystone of the program is the formation of an effective trade union safety movement within the AFL-CIO. While particular affiliates of the AFL-CIO have distinguished themselves in this field, there is a positive need to unify the efforts of all affiliates.

Moreover, there is not at this time in America another organization which is able and willing to utilize the means of promoting safety which the trade union movement has traditionally used—collective bargaining relationships, education and training and legislation at both federal and state levels. Finally, a well-developed trade union safety movement will make possible greater cooperation between management and labor in their common goals of safety on and off the job.

### **AFL-CIO National Conference**

A major step was taken toward forming a trade union safety movement by the first AFL-CIO National Conference on Safety and Occupational Health held in March 1959 under the auspices of the AFL-CIO Committee on Safety and Occupational Health, headed by Vice President Richard F. Walsh. Only trade unionists designated by their unions participated in the conference. The conferees were divided into work groups which hammered

out a basic blueprint for a trade union safety movement. Representatives of more than 50 national and international unions were in attendance.

The general recommendations and conclusions of the conference were as follows:

1—In the field of labor-management relations the conferees concluded that safety and occupational health was not an area of controversy and that both management and labor share the mutual responsibility of achieving common goals. To this end, the conferees urged prompt establishment of joint labor-management safety committees wherever trade unions were the recognized collective bargaining agent, since such committees had demonstrated their value to both management and labor.

2—In the area of education and training, the conferees urged all AFL-CIO affiliates to increase their efforts to acquaint their members more fully with the nature, purpose and methods of achieving safety. To this end, safety training was recommended as an integral part of apprenticeship training, general trade union educational programs and in leadership programs. Moreover, stress was placed upon the duty of trade unionists to join with all other groups in their communities to achieve safety on the highways and in the homes.

3—In the legislative area, the conferees asserted that, in order to benefit all workers, proper minimum standards for safety should be enacted into law with emphasis being placed upon



Accident rates in key industries are discussed at conference of international unions to promote job safety.

corrective measures rather than upon punitive actions wherever possible. The fact was recognized that while legislation is not to be used to shift responsibilities of labor and management to government, nevertheless, sheer decency required establishment by law of some protection for all citizens.

The full text of all conference recommendations has been transmitted to national and international unions, state bodies and city central organizations. In addition, every state department of labor, the U.S. Department of Labor, and national and private safety organizations received copies of the recommendations. The comments received from all recipients were favorable.

The program developed by the conference was not allowed to stay in the blueprint stage.

The governor of Maryland promptly implemented one recommendation calling for annual Maryland Safety Conferences; other states have indicated that they will do likewise.

In furtherance of this program, the AFL-CIO has contacted all national and international unions and state bodies to establish standing committees on safety and to place on the agendas of their conventions the subject of safety. The response has been most encouraging and the members of the AFL-CIO committee have personally addressed as many conventions as possible on the need for a truly trade union safety movement.

### **Educational Activities Stepped Up**

With President Meany, members of the committee participated in the President's Conference on Safety and Occupational Health. The committee also was kept busy participating in various state safety conferences such as those held by New York, Pennsylvania, Maryland and others. These invitations were a direct outgrowth of the committee's efforts to publicize labor's role in the safety movement of America.

Particular mention in this connection must be made of the work of P. L. (Roy) Siemiller, vice president of the Machinists, who participated as the AFL-CIO member of the President's Committee on Traffic Safety with great distinction and served as a member of the board of directors of the National Safety Council.

The impact of the conference was also reflected by invitations to participate in programs such as the American Medical Association conference on labelling of poisonous substances; the U.S. Public Health meeting on air pollution; the Atomic Energy Seminar conducted by the AEC; and the Congress of the National Safety Council.

### **Off-the-Job Safety**

While the efforts of the AFL-CIO have been focused largely on the occupational safety and health of workers on-the-job, it has not neglected safety off-the-job. Concretely, when the AFL-CIO accepted an invitation from the Labor Division of the Na-

tional Safety Council to participate in a nationwide effort to reduce the number of deaths and accidents over the Labor Day holiday, the standing committee was directed to unify the efforts of the AFL-CIO affiliates.

The cooperation given by the affiliated organizations was most reassuring and the National Safety Council was made fully aware of the labor movement's awareness of its social responsibilities in the field of public safety.

### ***Legislative Activities***

In the legislative field labor has steadily increased its participation. We established a steering committee consisting of all affiliates affected by the amendment of the Longshoremen and Harbor Workers' Compensation Act. Through the practical experience of the members of this committee and its ability to acquire counsel and guidance from workers affected by the amended act, the safety codes and regulations which will be established will give genuine meaning to the new law.

The Longshoremen and Harbor Workers' Compensation Act is far more important than its name implies. While stevedoring is one of the major industries covered by the act, the need for development of safety regulations and their enforcement is equally great in other employment—ship repairmen, ship servicemen, harbor workers and other off-shore employment.

In 1957, according to the accident records of the Bureau of Employees Compensation, there were 43,849 accidents reported for activities other than longshoring, 6,659 of which were disabling. Sixty-five workers were killed. Comparable figures for longshoring were 35,977 reported injuries, of which 15,310 were disabling and 57 workers were killed.

The weakness of the safety program under the Longshoremen and Harbor Workers' Compensation Act was that it was wholly advisory and that there was no legal authority for operating an effective program to prevent injuries. This program was far short of the enforceable safety requirements that are applicable by federal or state statute or regulation to every other major industry throughout the United States.

### ***Labor Started Campaign in 1947***

Since 1947 labor has consistently pressed for legislation in this field. Hearings were held by the House and Senate Labor committees throughout the years, but the committees paid little or no attention to labor's recommendations. Finally, the terrifically increasing accident record compelled the 85th Congress to take action. In March 1953, the Senate Labor Committee conducted hearings on S 1454, S 3277, and S 3483 to amend the safety provisions of the Longshoremen and Harbor Workers' Compensation Act.

The purposes of the three bills are identical. However, the first two bills differ in certain procedural provisions for enforcement which, for the most part, were reconciled in the Kennedy-Ives bill which was reported out of committee.

The House Labor Committee took similar action and reported a companion bill. The AFL-CIO testified in support of this legislation.

The bill, HR 13021, passed the House on July 31 and the Senate on Aug. 11, 1958. It was signed by the President on Aug. 23, 1958—Public Law 85-742.

The law 85-742 authorizes the Secretary of Labor under appropriate administrative proceedings to establish enforceable safety regulations in longshore and ship repair work in the federal maritime jurisdiction on the navigable waters of the United States including dry docks. Safety laws of the states apply on the docks but do not extend to shipside work.

The new law, if properly administered, will close an important gap in safety protection for American workers, and thereby conserve life and health that under previous conditions were needlessly sacrificed.

#### **New Amendment Sought in 1959**

On July 30, 1958, the House passed HR 12728, a bill to amend the Longshoremen and Harbor Workers' Compensation Act with respect to payment of compensation in cases where third persons are liable. In general, the bill appears to follow the pattern of the New York Workmen's Compensation Law and would make significant changes with respect to the rights and liabilities of the parties.

In the House objections to an unanimous consent request to consider the Senate-passed but amended bill in the closing days of the session prevented final congressional action on the bill.

While this bill failed to attain final enactment in the 85th Congress, it did build up congressional awareness of the problem and the House, on Apr. 8, 1959 passed HR 451, identical to the bill passed last year. The Senate Labor Committee reported HR 451 with amendments and it passed the Senate on July 6. The House is expected to accept the Senate version of the bill. (See Supplemental Report Page 376).

#### **Federal Workers Safety Program**

The AFL-CIO committee also established a group to work with the various government employees unions affiliated with the Government Employees' Council to have enacted much-needed federal safety legislation affecting all government employees. By working in conjunction with the AFL-CIO Department of Legislation we believe that this worthwhile objective can be achieved.

The committee also is engaged in preparing testimony for presentation to Congress concerning the need for an effective hazardous-substances labelling law. While a bill has been intro-

duced by the American Medical Association on this subject, the medical association is limiting its proposal to labelling of the non-industrial products. Understandably, therefore, the AFL-CIO will propose that labelling of all hazardous substances—industrial, commercial and household products—should be covered by the law.

The AFL-CIO submitted testimony at the request of the Railway Labor Executives Association on its bill to require the Interstate Commerce Commission to make uniform accident reports. The testimony was well received by the congressional committee conducting the hearings.

Finally, the committee is actively working toward the introduction of a bill in Congress to implement the safety resolution adopted at the 1957 AFL-CIO Convention calling for federal grants-in-aid to states which comply with minimum safety codes. A number of bills of this kind were introduced during the 85th Congress but failed of enactment. We are convinced however, that the committee will be able to have a proposed bill introduced and that it will be enacted in keeping with the recommendation of the convention.

#### **Persistent Efforts Needed**

In summary, the establishment of a trade union safety movement and the creation of a program which will enlist cooperation from our employers and the nation as a whole will require persistent efforts by all affiliates of the AFL-CIO.

The AFL-CIO is firmly convinced that the trade unionists of America are more than equal to the tasks which lie ahead. Day in and day out they see the price paid for the lack of safety in terms of deaths and mutilations to fellow trade unionists and the full impact of these tragedies on the wives and children of these unfortunate individuals.

The creation of a trade union safety movement lies in the hands of each national and international union and their local unions; each state body and each city central body. In every collective bargaining agreement labor's right to be heard in providing safe and healthful working conditions must be recognized. Each affiliate must assume the responsibility of providing training and education for its members. The AFL-CIO will continue to press for necessary federal legislation in this field. Each state body must focus its attention upon its own legislative program to achieve safety.

George Brown, assistant to President Meany, is the executive secretary of the AFL-CIO Committee on Safety and Occupational Health under the chairmanship of Vice President Walsh.



One major goal toward which our trade union movement is striving is equality for all. It believes that second-class citizens are out of place in America. It believes that any form of discrimination because of race, creed, color or national origin is contrary to American democratic principles.

In order to translate the principle of equal opportunity into living practice, the AFL-CIO, from the very outset, has mounted its civil rights program. During the past two years important advances have been achieved in our insistent striving toward labor's civil rights goal.

Today, many Americans are still disadvantaged in their life and their work, because of their religion, their national origin, and, above all, because of the color of their skin. The practice of discrimination and segregation creating these disadvantages, cuts across the whole community—and labor is but a part of the community.

Yet labor has come forward insisting that discrimination and segregation because of race, creed, color or national origin, is unfair. The fight for fair practices—in employment, in training, in schools, in churches, in housing and in all public facilities and services—is labor's fight.

To be sure, there are in labor's own ranks those who do not believe in equal opportunity. Our task has been to strengthen these weak links that endanger the strength of the whole trade union movement, and to reinforce the bonds of brotherhood that make the union strong.

#### Race Haters Are Labor Haters

The experience of the past two years has demonstrated beyond doubt that race haters, the promoters of race hate and of acts of violence that have shattered homes, schools and houses of worship in a number of our communities, are also labor haters.

This experience has also made it plain that these promoters of race hate are also the promoters of lawlessness. It has been our task to get across the truth that fair practices, law and order, and good trade unionism go hand in hand.

In many southern localities, our unions not only were ahead of the rest of the community in pressing for equal rights, but also had to bear the brunt of vicious attacks by employers who stooped to outright promotion of race hate among their employees in an effort to thwart workers' self-organization into unions. There were numerous instances in southern plants and mills where such race hate campaigns were conducted by employers as a prelude to NLRB-conducted elections in an effort to prejudice the worker against the union in his choice of a collective bargaining representative.

In our civil rights program we have placed ahead of everything else our determination to prevent and stamp out all discrimination because of race, creed or color in labor's own ranks. Our firm goal is to assure to all workers, without regard to race, creed, or color or national origin, the full benefit of union membership.

### **Compliance Procedure Set Up**

The entire resources of the labor movement have been utilized to this end. In applying the AFL-CIO civil rights policy and effectuating compliance with it, the Executive Council is assisted by the Civil Rights Committee. The staff work is carried on by the AFL-CIO Department of Civil Rights. A compliance procedure has been established and the first responsibility for the handling of complaints has been placed in the hands of the Compliance Subcommittee of the Civil Rights Committee.

After having been checked by the Department of Civil Rights, with the help of the AFL-CIO field staff, valid complaints are brought to the attention of the national and international union concerned for adjustment. In nine out of ten of the complaint cases we have had prompt and helpful responses from the affiliates concerned.

When no compliance is readily effected, the case is carried through the process of conferences and hearings in which all concerned are given a chance to be heard. If necessary, and as the final step, the Civil Rights Committee may certify the case, to effectuate compliance, to the Executive Council.

The Civil Rights Committee is not doing this work alone. A number of our national and international unions have civil rights or fair employment practice committees with machinery necessary for effective administration of a meaningful civil rights program within their own ranks.

AFL-CIO state central bodies that have established civil rights committees include Arizona, California, Colorado, Connecticut, Delaware, Indiana, Maryland, Massachusetts, Michigan, Minnesota and Rhode Island. In several other states other types of statewide machinery have been established by labor to effectuate the AFL-CIO civil rights program.

A network of civil rights committees is also being established by city central bodies to develop local civil rights programs.



**Hotel Workers Union awards are presented to nine Negro students, first of their race to attend Little Rock's Central High.**

Every newly-merged state central body, North and South, has adopted a civil rights policy and developed a program of its own.

All of these labor organizations, in turn, are driving for the establishment of a civil rights committee by every local union affiliated with them. These are the practical means through which, in time, we shall assure not only widespread dedication to the principle of equal opportunity throughout labor's ranks, but also programs of effective action in which our membership will take a direct and positive part.

#### **Regional Groups, Surveys New Tools**

In 1959, steps were taken to provide for regional consultations with labor representatives close to the problem in the region concerned. In May 1959, the AFL-CIO Southern Advisory Committee on Civil Rights was appointed by President Meany. This committee, under the chairmanship of President Stanton E. Smith of the Tennessee State Labor Council, AFL-CIO, and composed of the executive officers of the AFL-CIO state labor bodies in the South, held its initial meeting in Louisville, Ky., on June 13, 1959.

Meeting with the advisory committee were Charles S. Zimmerman, chairman of the AFL-CIO Civil Rights Committee, the staff of the Department of Civil Rights and representatives of other headquarters staff departments of the AFL-CIO. Practical problems involved in the implementation and furtherance of the civil rights program were thoroughly explored at this meeting, with

helpful participation of the representatives of the state central bodies in attendance.

Another new approach toward reinforcing and broadening the AFL-CIO civil rights program has been the development of community-wide surveys of the extent and character of the civil rights problem, both within the local labor movement itself and in the community generally. Preparations have been made for the first such community-wide study in St. Louis, Mo., under the general direction of President Joseph Clark of the St. Louis Labor Council, AFL-CIO.

### ***Discrimination in Employment***

An equally vital task to which our civil rights program is geared is to eliminate discrimination of employment, by employers, because of race, creed, color or national origin. We investigate and press complaints involving such discrimination in employment. These include not only discrimination in initial hiring, but also any discrimination in advancement, tenure and conditions of employment. We likewise are driving for non-discriminatory operation of all training and apprenticeship programs.

It should be recognized that on the industrial scene in America today, the trade union is the most important single institution in the drive for equal employment opportunities. Non-discrimination clauses written into collective bargaining agreements with management on union initiative provide an important tool for making non-discrimination in employment truly effective.

A major portion of American industry today is covered by union agreements containing such clauses. And unions vigilantly insist on the enforcement of the terms of these clauses through grievance procedures provided in their union contracts. The Department of Civil Rights is providing technical assistance to affiliates by placing in their hands sample contract clauses already in effect.

The AFL-CIO has taken an active part in furthering and enhancing the few on-going public programs designed to assure equal opportunity in employment. The one such program maintained by the federal government is under a presidential executive order prohibiting discrimination in employment on government contracts. This executive order is administered by the President's Committee on Government Contracts, on which labor is represented.

Wherever possible and appropriate our state central bodies and other affiliates have made every effort to enhance the effectiveness of state and local fair employment practice commissions. To this end, the Department of Civil Rights has given wide distribution to many thousands of copies of AFL-CIO publication No. 23, "You and Your Rights Under State and Local FEP Laws."

## **Discrimination in Voting, Housing**

The U.S. Civil Rights Commission, established under the Civil Rights Act of 1957, has been engaged in a series of hearings, investigations and studies. The primary concern of the commission is with the discriminatory denial of the right to vote. A simple, concise and popular explanation of the Civil Rights Law is contained in the AFL-CIO publication No. 60—"The Civil Rights Law, What It Is and What It Does." This pamphlet has been used as an action tool in the field, through hand-to-hand distribution in the states concerned, during our register and vote campaign in each state. By placing this vital information in the hands of the very citizens whose voting rights were being threatened on account of their color, we enabled these voters to take proper action to safeguard their right to vote.

In the commission's hearings on discrimination in housing, held in New York City and in Chicago, leading spokesmen of organized labor in each community presented evidence and testimony regarding this grave problem and the ways and means to resolve it.

These efforts and the administration of the AFL-CIO's housing program, have been in line with the November 1958 declaration of the Executive Council calling for non-discrimination in all private as well as publicly aided housing and calling for specific steps to outlaw discrimination in all housing in which federal financing or guarantees, including mortgage insurance, have been utilized.

We note also that the AFL-CIO, as a national organization engaged in community service work, spearheaded the opposition to the segregation of blood on the basis of color in the blood banks for emergency and other medical care anywhere in the United States.

Organized labor has lived up to its historic heritage of being the first and the foremost champion of free public schools as the basis of an equal, universal system of education available to all children. The AFL-CIO not only gave from the outset its prompt and unhesitant backing to the historic Supreme Court decision outlawing segregation in our schools, but has since sought diligently to win speedy compliance with the high court's decision. Labor's answer to the many schemes of subterfuge and evasion attempted in a number of southern states, such as the tuition-charging private school plans, has been its insistence on free public schools for all.

One major phase of the civil rights work lies in the field of education. Activities to carry our civil rights message to the ranks of the labor movement have also been stepped up.

During the past two years, there has been an increase in the number of civil rights institutes and conferences conducted by the AFL-CIO and its affiliates.

As we look ahead, we see the need to resolve, patiently, calmly

and soberly, but with a sense of urgency, the problems of intolerance and discrimination that continue to dim the torch of freedom America holds as champion of freedom to the world.

Such progress as has already been made toward equality of opportunity in the American community must be carried forward to its universal and enduring acceptance. One major area of our efforts is to eliminate discrimination in housing that stubbornly persists in too many American communities and neighborhoods.

In its own ranks, labor is still short of its declared civil rights goal. But labor is making progress toward the attainment of universal non-discrimination with firmer determination and greater speed than any other segment of the American community.

## Civil Rights Legislation

In the period since the last convention, the AFL-CIO has worked for maximum implementation of the Civil Rights Act of 1957 and for necessary improvements in the law. Events of the last two years have all too clearly demonstrated the need for stronger civil rights legislation.

It took many months before even the inadequate provisions of the 1957 act could be utilized because of the obstructionist tactics of some members of Congress. In addition to trying to block appropriations for the operations of the Civil Rights Commission, civil rights opponents employed delaying tactics to prevent Senate confirmation of officials required under the act.

It was not until Mar. 4, 1958 that the six members of the Civil Rights Commission were confirmed; not until May 14 that Gordon Tiffany was confirmed as staff director of the commission; and not until Aug. 18, seven months after his name was submitted by the President, that William Wilson White was confirmed as assistant attorney general in charge of the newly created Civil Rights Division of the Justice Department.

It was not until Sept. 4, 1958 that the act was invoked for the first time in a civil suit to stop alleged violations of Negro voting rights in Terrell County, Georgia.

The principal weakness of the Civil Rights Act of 1957 was dramatically pointed up within days after the President signed the bill. The Little Rock eruption might very well have been avoided if the original bill's Title III had not been eliminated. The AFL-CIO had urged the retention of this title, which would have given the Department of Justice the clear right to proceed in its own right to seek civil injunctions to compel adherence to court orders in school segregation cases.

In 1958, the second year of the 85th Congress, there was no action on civil rights in the Congress, except for appropriations and confirmations discussed above. A number of bills were introduced, including an all-inclusive bill by Sen. Paul H. Douglas and Rep. Emanuel Celler which the AFL-CIO endorsed. This bill was the forerunner of the Douglas-Celler bill in 1959 discussed later in this section.

## **The Rule 22 Fight**

As the 86th Congress was preparing to convene on Jan. 7, 1959, there was rather general agreement that it would have to act this year on strengthening the civil rights legislation on the books. In addition to the school problem, it was found necessary to improve the voting provisions of the 1957 law, to act in connection with the growing number of hate bombings that had been occurring, and to extend the life of the Civil Rights Commission.

The likelihood of favorable action in 1959, in the opinion of many, depended in large part on the ability of the Senate to again overcome the threat of a filibuster. The 1957 act had been weakened because of the very threat of prolonged filibuster. The 1957 AFL-CIO Convention recognized this danger when it urged that "in order to assure full and fair consideration by Congress of proper civil rights and fair employment practice legislation, Senate Rule 22 be changed to permit a majority of senators present and voting to limit and close debate."

Because of the very nature of Rule 22, which did not permit even the very difficult cloture provisions contained therein to apply to motions to change rules, the attempt to secure majority rule in the Senate had to be made at the very opening of the



**Labor's fight against racial and religious discrimination is discussed at workers' education institute.**

new Congress on the theory that there are no rules, including Rule 22, until the Senate by action or acquiescence adopts such rules. In 1953, a similar effort had obtained 21 votes, and in 1957 this had increased to 38. Chances for a real change in 1959 seemed fairly hopeful.

The first four days of the new Congress were consumed with complicated, and at times bitter, debate and parliamentary wrangling. Chances for a meaningful change in the rules dropped sharply when both the majority and minority leaders jointly sponsored a very mild change in the rules. Under this proposal, cloture could be invoked by two-thirds of senators voting and present instead of the constitutional two-thirds in the old rule. The rule would be modified to eliminate the ban on cloture on motions to take up rules changes and the rules would continue from Congress to Congress unless changed under the rules. Support of these changes appeared to satisfy numerous senators who had promised "a change in Rule 22," even though the principal backers of civil rights legislation argued that only majority rule could guarantee action on the issue.

#### **Limited Procedural Victory Scored**

There were several crucial votes before the Johnson-Dirksen proposal was finally adopted by the Senate. A motion by Sen. Clinton P. Anderson to proceed to take up the rules was intended to put to the Senate clearly on record in its right to take up rules at the beginning of a new session. This motion failed to carry by the vote of 60 to 36. There were 22 Democrats and 14 Republicans for; 40 Democrats and 20 Republicans against. Despite this vote, and despite the provision in the new rule about continuing rules, the fact is that the Senate did proceed to adoption of rules on its opening day, and the Vice President's rulings indicate that a majority could have proceeded to change the rules. In this sense, a limited procedural victory was scored.

The next crucial vote came on the effort of Sen. Douglas and others to amend the Johnson-Dirksen proposal to provide for majority cloture after 15 days of debate. This was rejected 67 to 28. The rollcall showed 20 Democrats and 8 Republicans for; 43 Democrats and 24 Republicans against. An attempt to compromise the issue by Sen. Thruston Morton, providing for 60 percent cloture, was defeated by 36 to 58, with 24 Democrats and 12 Republicans for; 38 Democrats and 20 Republicans against. The Johnson-Dirksen resolution was then adopted by a vote of 72 to 22.

#### **Civil Rights Action in 1959**

The Rule 22 controversy was a curtain-opener to the civil rights issue in the 86th Congress. To implement his assertions that the new rule would permit the enactment of new civil rights legislation, Majority Leader Lyndon B. Johnson very early in

the session introduced his own civil rights "package." In addition, the Congress had before it a revised Douglas-Celler bill and the Administration "package" of civil rights bills. Highlights of each of these three proposals are:

#### **The Douglas-Celler Bill**

- Clearly stated support for school desegregation decisions.
- Authority for H.E.W. to conduct surveys, conferences, etc.
- Grants for school facilities and operations to facilitate desegregation, and where states withhold funds.
- H.E.W. authority to develop desegregation plans where other methods fail.
- Authority for the attorney general to institute lawsuits to obtain compliance. (Similar to Part III deleted from 1957 Act.)

#### **The Administration Program**

- Gives statutory basis to President's Committee on Government Contracts.
- Makes force or threats to obstruct court desegregation order a crime.
- Makes interstate flight in bombing cases a federal crime.
- Grants subpoena powers in voting cases.
- Provides moderate assistance to states for professional and technical expenditures in desegregation cases.

#### **The Johnson Bill**

- Extends life of Civil Rights Commission to 1961.
- Gives subpoena powers to attorney general in voting cases.
- Provides federal powers in bombing cases.
- Establishes a Federal Community Relations Service to "establish communications" between groups in civil rights cases.

The major deficiency in both the Administration and Johnson proposals was the absence of Part III. The Johnson provision for a community relations service was not clearly explained and raised questions about whether basic rights could be the subject of conciliation.

In February 1959, the Executive Council issued a statement declaring:

"Except for the small minority of pro-segregationist diehards in the 86th Congress, there is almost universal agreement on the need for additional civil rights legislation. There is reason to hope that the Congress will hammer out a bill that will constitute real progress. If a filibuster threatens to kill or cripple such legislation, it will then be necessary for men of good faith, without partisan considerations, to unite and kill the filibuster. It will not be easy with the present Rule 22, but it can and must be done."

Despite the demonstrated need and wide support for civil

rights action, neither House had acted on a bill as this report went to press. Hearings were held in both Houses, at which the AFL-CIO testified in support of the Douglas-Celler bill and for some additional measures, such as anti-bombing legislation, which were not included in that bill.

In June, the House Judiciary Subcommittee which had conducted the hearings, voted out a bill which combined the Administration proposals plus the vital Part III which the Administration had dropped. The full committee voted 18 to 13 to reject Part III empowering the Justice Department to seek injunctions in civil rights cases.

The Senate Subcommittee on Constitutional Rights was experiencing the same kind of filibustering tactics that it had experienced in earlier years. By the middle of the year, the only action it had taken was to vote against including Part III in any civil rights bill to be reported out. (See Supplemental Report Page 377).

## Civil Liberties and Internal Security

The last two years have been characterized by attacks on the Supreme Court for some vital decisions it has handed down in the field of civil liberties and internal security in addition to the historic unanimous decision of the court in 1954 in the school desegregation case.

Attempts to "get" the court have thus far been unsuccessful, but there have been close battles and some of these battles are still being waged.

One major effort to circumvent the court has been the long campaign for the States-Rights bill, HR 3, which is treated separately in this report. (See National Legislation Section.)

In the final days of the 1958 session, the Senate considered an omnibus anti-court bill introduced by Senators William E. Jenner and John M. Butler. It aimed at overruling several major decisions of the court, including those dealing with state anti-subversive laws, authority of congressional committees, admissions to the bar, and advocacy of force and violence. The bill, called up by its authors as an amendment to a minor bill, was defeated by 49 to 41, with party lines sharply divided on each side. Several other bills dealing with specific court actions were similarly defeated. But it was a close call for the court.

In 1959, the campaign against the court was renewed. Pending were several bills already passed by the House and others in committee. A decision late in June affecting the industrial security program put that whole program in jeopardy, and new bills were introduced to give it clear legal status. The issues of the range of a security program, of confrontation, and of other procedures, all had to be resolved. Also pending were proposals affecting passports and the right to travel.

Campaign Against  
'Right-to-Work' Laws



The 1957 Convention of the AFL-CIO recognized the major threat posed to organized labor and to the concept of union security by the so-called "right-to-work" laws on the statute books of a number of states.

That convention unanimously declared:

"That laws against union security cannot help the labor movement. These laws are intended to do but one thing—to weaken and destroy trade unions. Union members and all those who believe in the rights of workers to form unions will oppose these laws with their whole strength. This union breaking drive must be defeated and rolled back, and the discredited and misnamed "right-to-work" laws now found in 18 states must be repealed and stricken from the statute books."

By the time of the Executive Council's first post-convention meeting in February 1958, the campaign had grown in volume and complexity. Millions of dollars were being poured into "right-to-work" drives by corporations and individuals hostile to the labor movement.

The Council named a subcommittee chaired by Vice President Joseph A. Beirne, and including Vice-Presidents Albert J. Hayes and James A. Suffridge, to work with the executive officers to meet this threat. At the same time, the council pledged its active support to AFL-CIO central bodies in every state where the threat had arisen or would arise in the future, and to bona fide national state citizens' groups which were already voluntarily combatting these infamous laws.

President Meany immediately assigned a staff committee from AFL-CIO headquarters to work with the council subcommittee. Originally, the staff committee consisted of Andrew J. Biemiller, director of legislation; Albert J. Zack, director of public relations and Saul Miller, director of publications. Later, James L.

McDevitt, director of the Committee on Political Education, was added.

The council subcommittee and the staff committee immediately began mapping a program of action for the crucial 1958 year.

### ***The Political Situation***

This was the situation which faced the trade union movement: Seventeen state legislatures met in 1958.

"Right-to-work" bills were introduced in Kentucky, Maryland, Rhode Island and Delaware. The bills did not pass in any of these four states.

In Louisiana, both a proposed constitutional amendment and an act were introduced in the legislature in an attempt to re-enact the "right-to-work" law which was repealed in 1956. Neither of these measures passed.

Starting in the fall of 1957, the National Right to Work Committee had initiated campaigns in five states to have the issue placed on the ballot in the general election in 1958. These states were Ohio, Colorado, Idaho, Washington and California. Early in 1958 a similar campaign was started in Montana.

The 1957 session of the Kansas legislature adopted a proposed constitutional amendment to be voted on in the general election in 1958.

In Montana there were insufficient signatures to place the issue on the ballot. In the other five states sufficient signatures were obtained, and the issue was referred to the people.

### **Citizens' Committees Formed**

By the spring of 1958, a number of prominent individuals of all shades of political opinion had banded together to form an independent organization designed to combat this restrictive and dangerous legislation. They believed that so-called "right-to-work" laws were clearly a threat to the national economy and disruptive to industrial peace.

These public-spirited citizens, to whom the trade union movement owes a great debt of gratitude, formed the National Council for Industrial Peace and selected as director John M. Redding of Washington, D. C.

Co-chairmen of the National Council for Industrial Peace are Mrs. Eleanor Roosevelt, and former Sen. Herbert H. Lehman of New York. The Executive Committee includes: Edwin C. Johnson, former U.S. senator from Colorado; Fred Hall, former governor of Kansas; Dr. George N. Shuster, president of Hunter College, New York City; James G. Patton, president of the National Farmers' Union; John S. Watson, past president of the Associated Farmers of California; Bernard I. Schub, manager of the Connecticut Dress Manufacturers' Association; Dr. T. L. Hawkins, secretary of the Montana Board of Medical Examiners; J. N. Leggat, attorney-at-law, Boise, Ida.

HOW THEY VOTED ON "RIGHT-TO-WORK" AND THE CANDIDATES

CALIFORNIA	GOVERNOR	RIGHT TO WORK	SENATOR		GOVERNOR		SENATOR	
			YES 2,079,975	NO 3,070,837	KNIGHT 2,204,337	BROWN 3,140,076	ENGLE 2,927,693	BRICKER 1,497,199
COLORADO	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK
IDAHO	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK
WASHINGTON	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK
KANSAS	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK
OHIO	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK	SENATOR	GOVERNOR	RIGHT TO WORK

## ***The Campaign Begins***

On Apr. 16, 1958, the council subcommittee had prepared a thorough and detailed program of action designed to make "right-to-work" laws a major campaign issue in the states where it would be on the ballot and to whip these proposals as quickly as possible. The Executive Council unanimously voted for the program, urging the affiliates to supply the necessary funds.

Carl McPeak, former assistant director of organization, who had been named by President Meany to be the headquarters staff representative on state legislation, was assigned the task of coordinating the work of the national headquarters with the state and city central bodies involved.

The AFL-CIO cooperated closely with the National Council for Industrial Peace, which formed citizens' committees in each of the states where the issue was on the ballot. These committees brought together people from all walks of life—businessmen, industrialists, civic leaders, political figures, church leaders and minority group leaders.

Each of the AFL-CIO state organizations established a committee of its own, and each committee did yeoman work.

The AFL-CIO state committees, in cooperation with the international unions and their representatives in the area, carried the program down to the local level.

The Department of Public Relations produced a movie which was made available to all the states where the matter appeared on the ballot. This movie, "We the People," was shown hundreds of times in these states.

In addition, a number of television and radio commercial spots were made. Approximately 1,600 prints of the TV spots were produced and the showings ran into the thousands. In California a 2½-hour television show was produced just before the election, with many members of the Associated Actors and Artists of America donating their talent. Prints of this show were used in other states where the issue was on the ballot.

The National Council for Industrial Peace also produced a movie, "It's Good Business," which was made available to their committees.

Many favorable comments were received by both the National Council for Industrial Peace and the AFL-CIO on these film projects.

A book, "Union Security—The Case Against the 'Right-to-Work' Laws" was issued by the Publications Department, with the cooperation of the Public Relations, Research, Legislative and Legal departments of the AFL-CIO. This book was distributed to the leading daily newspapers in the states where the campaign was waged. It was also sent to a select number of colleges and public libraries in these states, all international unions and AFL-CIO state organizations, and was made avail-

able in quantity for leadership in the states where the issue was on the ballot.

A wide assortment of leaflets was published, both by the AFL-CIO and the National Council for Industrial Peace. In addition, all states produced leaflets of their own. Distribution ran into the millions. The various international unions co-operated by publicizing the issue in their newspapers and magazines.

Four displays were constructed and made available to the state organizations for use at state fairs and, in some instances, local fairs. These displays proved very helpful. They were attractive, and served as crowd stoppers for distribution of literature. Hundreds of thousands of pieces of literature were distributed during these affairs. In at least one instance, a local television station requested permission to televise the display booth in operation with the literature distribution, describing it as the most attractive display on the midway.

State fairs where these booths were used were Columbus, O.; Topeka and Hutchinson, Kans.; Pueblo, Colo.; Boise and Twin Falls, Ida.; Sacramento and Pomona (Los Angeles), Calif.

In many instances, when these booths were not used at state fairs, they were used at county fairs.

### **Report on States**

**MONTANA**—In Montana the campaign was over early as the proponents failed to get sufficient signatures to place the issue on the ballot. Here we owe a great deal to the National Council for Industrial Peace and its local organization, composed of prominent doctors, school teachers, leaders of the Farmers' Union and others. The entire Montana delegation in Congress made a joint statement in the Congressional Record of May 6, 1958 which was of great assistance. They allowed it to be reprinted and distributed. Representatives Lee Metcalf, Leroy H. Anderson and Sen. James E. Murray also made film clips and radio tapes which were run throughout the state.

**OHIO**—In Ohio a United Labor Committee was formed to coordinate labor's entire program. The National Council formed the Citizens' Committee to Defeat State Issue No. 2, which also did an outstanding job.

An interesting factor in the Ohio campaign was that the proponents of "right-to-work" introduced violence, fear and many other extraneous matters which were false or irrelevant. This reached a state of such frenzy that their campaign boomeranged. Some Ohio television stations refused to run their picture, "Women Must Weep," because of its vicious nature.

The turning point in the Ohio campaign came when former Gov. Fred Hall of Kansas, a Republican, spoke in Columbus against the "right-to-work" issue. His appearance sparked Gov. William O'Neill, also a Republican, into declaring himself

in favor of "right-to-work," thereby making it a clear issue between the two parties.

All records were broken in the state for registration in an off-year election. People stood in line as long as five hours to register on the closing day.

The campaign was a team effort. It was a person-to-person campaign which required endless hours of work. The issue was defeated by a vote of 2,001,512 to 1,160,324.

**COLORADO**—In Colorado the campaign got off to a good start with harmony in the labor movement, an effective citizens' committee headed by former governor and Senator Ed Johnson and cooperation from other groups. They did an excellent job of public relations and carried on an effective campaign of door-to-door activity. Religious groups, the Farmers' Union and minority groups cooperated completely with the labor movement.

"Vote No" carried all four congressional districts. It ran from 55 percent in the lowest to 66 percent in the highest. Final results were 318,480 to 200,310.

**KANSAS**—Kansas, the one state where labor lost, is normally agricultural and has for many years been considered an anti-labor state. Much time and effort was put into the campaign by both the labor movement and the citizens' committee. In the last days of the campaign a clergy and educators committee was formed which worked very hard. Still there were not enough votes to tip the scales in our favor.

We must express special gratitude to former Gov. Alf Landon, who was in our corner all the way on this issue. He stumped the state at his own expense in an effort to defeat this legislation.

The final vote was 395,839 to 307,176 in favor of a "right-to-work" law.

**CALIFORNIA**—In California, the AFL and CIO state organizations were not merged at the time of the campaign. However, both groups got together on a united program which produced results that have been given wide publicity.

The issue was clear-cut, and former Sen. William F. Knowland, running for governor, staked his political future on the "right-to-work" issue and lost.

A number of local committees were established by the National Council for Industrial Peace. They did an excellent job of public relations and door-to-door campaigning coupled with labor's united and unprecedented effort, "right-to-work" was resoundingly defeated. The final vote was 3,070,837 to 2,079,975.

**WASHINGTON**—Despite a defeat in 1956, the proponents of "right-to-work" legislation were successful in getting the issue on the ballot in the state of Washington with the aid of Boeing Aircraft, which organized a minute-man's organization of industrialists. This well-financed organization mobilized Boeing's thousands of supervisors, forcing them to get a quota of signatures on petitions. This produced enough names to place the issue on the ballot.

In spite of this well-financed campaign, joined in by General Electric, along with many smaller firms, a well-organized labor movement and the activities of the Citizens' Committee of Business and Industry Against Initiative 202 paid off in defeat of the issue. The final vote was 596,949 to 339,742.

**IDAHO**—There were many special problems in Idaho, such as small labor membership and transportation and communication problems. The Farm Bureau Federation had started its campaign for the issue early, and had apparently gained much ground before AFL-CIO effort got started. However, with the assistance of an effective citizens' committee, the Idaho Council for Industrial Peace, headed by a former Republican attorney general, J. N. Leggat, we were able to squeeze through by a small margin.

Much credit for this victory goes to the women's activities group in the Committee on Political Education, which had as many as 40 to 45 women at one time getting out mailings and making telephone calls. Seventy-three thousand pieces of mail were sent out at one mailing. Considering labor's small membership in Idaho, the campaign was a tremendous job.

The vote was 121,790 to 118,718, too close for comfort, yet a successful campaign.

## **1959 Fights**

During 1959 the campaign shifted to the legislative halls, and the results were a stand-off. Labor successfully resisted attempts to pass "right-to-work" laws in new states, but its campaigns for repeal were unsuccessful.

The details follow.

**INDIANA**—A repeal bill passed the House by a vote of 73 to 23. The Senate passed a similar bill by a close margin. But the Republican majority in the Senate demanded, as the price for repeal, acceptance by labor of another measure. Labor refused. The result was that the repealer bill was recalled in the Senate, and neither the repealer nor the other passed.

**UTAH**—All information indicated early in the campaign that there would be problems in the Senate but none in the House. Thus, until the last days of the legislature, most of the work was concentrated in the Senate.

In the closing days, however, the Democratic-controlled House, with the speaker in the lead, killed the repealer bill. Fifteen Democrats from the rural areas, in spite of the fact that repeal was pledged in the Democratic Party platform, voted against it. The bill was defeated by a vote of 36 to 27.

**IOWA**—Very little effort was made except for introducing a repeal bill. It was defeated by a margin of approximately 2 to 1.

**NEVADA**—The attempt at repeal was defeated by a narrow margin.

**NEW MEXICO**—In this state the "right-to-work" forces won

an initial victory in the Senate. The parliamentary situation was this: A proposed "right-to-work" law ran up against a tie vote 16 to 16. The lieutenant governor voted for the bill, but a quick check of the state constitution showed he could not vote on such a proposed constitutional amendment, and the attorney-general so ruled.

The proponents immediately introduced an identical bill which lost, 17 to 15, and a motion to reconsider similarly lost. At this point the House postponed action indefinitely.

**CONNECTICUT**—A "right-to-work" amendment appended to another labor bill was rejected overwhelmingly.

**VERMONT**—The legislation was defeated by a vote of 136 to 93 in the House. However, the proponents have formed a group called the Committee for Freedom of Association, with the avowed purpose of passing a referendum to be submitted to the voters in two years.

**WASHINGTON**—The bill died in committee.

**DELAWARE**—The Delaware State Labor Council is mobilized against a proposed referendum measure in the legislature. A citizens' committee has been organized by the National Council, and it is possible that the bill may not be introduced.

### ***The Fight Continues***

There is no indication that the fight over "right-to-work" legislation will be soon ended.

The National Right to Work Committee has stepped up its activities since the first of the year. New personnel has been added, great new sums of money are obviously available and a massive campaign on a national level is being planned.

The AFL-CIO is determined not only to resist every new attempt by the "right-to-work" forces to pass this repressive legislation, but is determined as well to abolish the "right-to-work" laws in those states where they remain on the statute books, infringing upon the worker's basic right to have a strong union of his own choice.

Grave new problems will beset the labor movement in this area in the period ahead. But with the unity and dedication shown in the 1958 campaigns, labor can be successful and these laws can be eliminated from the labor-management scene.



## Labor and the Law

In several highly significant cases during the past two years the Supreme Court wrestled with the persistent problem of how far federal law "preempts" the field of labor relations, thus preventing state courts and state legislatures from establishing and enforcing rules in this area. As a practical matter, these decisions had serious implications regarding the scope of union activities and the solvency of union treasuries.

Two propositions were established by the court's holdings in the Russell and Gonzales cases, decided during 1958:

1.—A state court has jurisdiction over an employee's common-law tort suit for malicious interference with his occupation by a union whose mass picketing and threats of violence kept him away from work during an economic strike.

2.—A state court has jurisdiction over a union member's breach of contract suit against a union for loss of wages and for mental suffering incident to his wrongful expulsion from the union.

The Supreme Court's decisions in these cases could well be a green light for employee damage suits against labor unions in state courts and thus render unions subject to damages awarded, as the dissent in the Gonzales case pointed out, "in response to those 'local procedures and attitudes toward labor controversies' from which the Garner case sought to isolate labor regulation."

In the Russell case, for example, a non-union employee was awarded \$10,000 damages by an Alabama jury. Of this amount, only about \$500 was compensatory damages for loss of earnings. The balance represented punitive damages and damages for so-called "mental anguish."

The majority of the court in both the Russell and Gonzales cases seemed to indicate that, even assuming the union's conduct resulted in an unfair labor practice for which the NLRB could award back pay, the possibility of such partial relief did not deprive the employee of his right to go to the state court to recover full damages, compensatory and punitive.

The dissenters in these two cases took the position that the

Taft-Hartley Act "represents an attempt to balance the competing interests of employee, union and management," and that "by providing additional remedies the states may upset that balance." In their judgment, "because the availability of a state damage action discourages resort to the curative features of the pertinent federal labor law, it conflicts with the aims of that legislation."

### **Federal vs. State Jurisdiction**

In its second consideration of the Garmon case in 1959, the Supreme Court came much closer to staking out a definite boundary line between the areas of federal and state jurisdiction over labor relations. Rejecting suggestions that the previous term's Russell and Gonzales cases had opened the gates to state damage remedies not conflicting with or duplicative of remedies under federal law, the court in effect ruled that the states are foreclosed from granting either injunctive relief or damage remedies for the type of peaceful union conduct which is "potentially subject to federal regulation."

The Garmon litigation arose as a result of peaceful picketing, allegedly for the purpose of compelling an employer to sign a union security contract. A representation petition filed by the employer was dismissed by the regional director of the NLRB on jurisdictional grounds. Thereupon the employer obtained from the state courts of California an injunction against the picketing and an award of \$1,000 damages for losses found to have been sustained.

On appeal, the U.S. Supreme Court, in the first Garmon case, held that the refusal of the NLRB to assert jurisdiction did not restore to the states regulatory powers which had been displaced by the Taft-Hartley Act. The state injunction therefore could not be upheld. However, the case was sent back to the state court for a clearer ruling on the local law question of the basis for the damage award.

The California court sustained the damage award, holding that the picketing constituted a tort based on an unfair labor practice under state law. Reliance was placed both on the general tort provisions of state law and on state enactments dealing specifically with labor relations.

### **Crucial Policy Issue Involved**

The basic legal issue confronting the Supreme Court when the case again came before it was whether the question of federal preemption turned on the "type of conduct" involved, or on the type of relief sought.

Underlying this was a crucial policy issue: where should the balance be struck between the competing interests of furthering a uniform national labor relations policy, on the one hand, and of providing remedies for private individuals allegedly suffering property damage in labor disputes, on the other?

The court was unanimous in holding that California lacked jurisdiction to award damages for the picketing in this case. On the rationale of the decision, however, and on the resolution of the most significant precedential issues involved, the vote was 5 to 4.

Speaking for the majority, Justice Frankfurter reasoned that when an activity is "arguably" protected by Section 7 of the National Labor Relations Act or forbidden by Section 8, the states must defer to the exclusive competence of the NLRB to avoid the danger of state interference with national policy. Added the court:

"In the absence of the board's clear determination that an activity is neither protected nor prohibited or of compelling precedent applied to essentially undisputed facts, it is not for this court to decide whether such activities are subject to state jurisdiction."

The significance of the Garmon case is emphasized when it is set against the background of a line of preemption cases decided over the past half dozen years. From these cases emerged a conflict in the theory of preemption, which Garmon for the most part resolves. The earlier of these cases established the following propositions:

1.—A state generally may not enjoin conduct which is either prohibited or protected under the NLRA. This is true even though the NLRB has declined to assert jurisdiction.

2.—A state in the exercise of its police power to preserve public order may enjoin violence and threats of violence, even though the conduct may also be subject to the NLRA.

3.—A state may also award damages for the tortious consequences of such violent conduct.

The disagreement over the preemption theory arose as a result of differing interpretations of the rationale for the third of these propositions. Under one view, the crucial element was the violent conduct, with the state jurisdiction in both injunction and damage actions being coextensive. Under another view, the type of remedy sought was emphasized. According to this theory, a state would have jurisdiction to award damages whenever the comparable remedy under the Taft-Hartley Act was inadequate.

The latter theory apparently gained support in the Russell and Gonzales cases of last year. Although there was violence in the former, the court seemingly emphasized the fact that the NLRB could have awarded the wronged employee only back pay, and that this partial relief did not prevent him from bringing a tort action in state court to recover full damages, compensatory and punitive. The Gonzales case, a contract action by an employee alleging wrongful expulsion from a union, involved no violence at all.

The majority of the Court in the Garmon case explained Russell as an instance in which the presence of violence was the basis for upholding state jurisdiction. Gonzales was treated as

involving an activity of "merely peripheral concern" to the federal statutory scheme, since internal union affairs in general have not been subject to federal regulation.

#### Type of Conduct Key Issue

Garmon clearly appears to indicate a shift in the court's attitude on federal preemption since the decisions in Russell and Gonzales. The type of conduct involved, and not the type of relief sought, is definitely now the determining factor on the issue of whether state courts may assert jurisdiction in the field of labor activities. The reassertion of this rule restricting state jurisdiction will undoubtedly benefit unions.

Despite this recent victory, however, unions remain subject to the threat of large state damage awards both for the type of minor picket-line occurrences that may accompany a hard-fought strike, and for errors of judgment in the internal disciplining of union members. The Russell and Gonzales holdings have thus saddled unions with the burden of weighing very carefully the impact of local law on actions which they contemplate undertaking.

In *Youngdahl v. Rainfair* the Supreme Court held that a state court may enjoin strikers and union representatives from threatening or coercive action against an employer or his employees through such means as obstructing or attempting to obstruct the free use of streets adjacent to the employer's place of business.

Although political subdivisions are specifically excluded from the Taft-Hartley Act's definition of "employer," the court held in *Plumbers Union v. County of Door* that a county may seek NLRB protection against an unfair labor practice. Accordingly, a state court was preempted of jurisdiction to grant an injunction even in favor of a county, where the conduct involved may have been either protected under Section 7 or prohibited under Section 8 (b) (4).

#### 'Hot Cargo' Cases

Also of great significance to labor are the court's decisions in the three "hot cargo" cases involving the Carpenters, the Machinists and the Teamsters. In these cases the court was called on to determine whether, as contended by the unions, a "hot cargo" provision in a contract is valid and permissible and a defense to a charge against a union of an unfair labor practice under Section 8 (b) (4) (A) of the Taft-Hartley Act, or whether, as contended by the labor board, such a "hot cargo" clause is invalid, and not only not a defense to an unfair labor charge but in itself an unfair labor practice.

The court ruled that a "hot cargo" clause is not a defense to conduct otherwise constituting an unfair labor practice, but it rejected the board's invitation to hold "hot cargo" provisions invalid in and of themselves.

The unions had argued that because the employer had by contract voluntarily agreed that his employees would not handle struck goods there could be no "forcing or requiring" of the employer. The court did not accept this view, but instead concluded that "the freedom of choice for the employer contemplated by Section 8 (b) is a freedom of choice at the time the question to boycott or not arises in a concrete situation."

### **Present Status of Clauses**

From labor's viewpoint the significant aspect of these decisions is that unions may continue to enter into "hot cargo" agreements, but they may not enforce them by appeals to the employees covered thereby.

Under the court's ruling "a union is free to approach an employer to persuade him to engage in a boycott, so long as it refrains from the specifically prohibited means of coercion through inducement of employees."

Thus, in future cases, the critical consideration will be directed to what the union actually did to enforce the agreement. The crucial question will be whether the employer adhered to his agreement or whether his employees were induced or encouraged to refuse to handle the goods.

If an employer refuses to abide by his agreement, does the union have a right to sue for breach of contract? This question remains open under the court's decisions but provides an inviting subject for further inquiry.

While the cases just discussed relating to state power and "hot cargo" agreements are of special interest and significance, a number of other recent decisions important to labor merit attention.

### **Compliance and Certification**

In NLRB v. District 50, United Mine Workers, the issue posed for the court was whether the labor board may require certification as a condition precedent to an employer's future recognition of a non-complying union found to have been assisted unlawfully by the employer.

The board, finding that the employer had assisted District 50 to defeat the Teamsters' efforts to organize, issued a cease and desist order directing the employer to withhold recognition from District 50 until it had received board certification. District 50, however, was not in compliance with Sections 9 (f), (g) and (h) of Taft-Hartley and therefore was ineligible for certification.

The Supreme Court held that the foregoing sections of the federal act "contain nothing compelling the board to insist upon a board certification." Congress did not make the filing required by those subsections "compulsory or a condition precedent to the right of a non-complying union to be recognized as the exclusive representative of the employees."

Therefore, the court concluded that the board cannot make non-compliance a reason for denying employees the right to choose the assisted union at an election which can readily serve its designed purpose, without certification, of enabling employees to choose freely an agent capable of acting as their true representative.

Significantly, the board itself had suggested in its brief that it might conduct an election and only certify the arithmetical results if the non-complying union won.

This decision may have special significance for the International Typographical Union and the United Mine Workers, the principal unions not now in compliance with the filing requirements, since it appears to grant non-complying unions the right to participate in elections conducted by the board, though not the right to petition for elections themselves.

It has been interpreted in subsequent board decisions as permitting non-complying unions a place on the ballot in elections held on the petition of any party other than the non-complying union itself.

### **'No-Man's Land' Dilemma**

The "no-man's land" left by the Supreme Court in the Guss, Fairlawn and first Garmon cases remains generally unoccupied. However, in Hotel Employees Union v. Leedom the court held that the board's jurisdictional standards could not be used to cast an entire industry, as a class, into the domain of untouchables.

In holding that the board was wrong in dismissing a representation petition because of board standards, the court ruled that such action was inconsistent and contrary to the principles expressed in the Office Employees case decided in 1957.

This "no-man's land" was further reduced when the NLRB put into effect revised jurisdictional standards which were expected to result in the extension of the board's jurisdiction to an additional 20 percent of the cases formerly consigned to the "no-man's land."

In NLRB v. Cabot the Supreme Court of the United States ruled that a committee of employees, established to deal with management on grievances and working conditions, though not organized as a union, did constitute a "labor organization" under the NLRA. Because such an "Employees Committee" is a "labor organization" under the act, the employer is precluded from dominating, interfering with or supporting such employees committee, which Congress has defined as a labor organization.

### **Security Programs Nullified**

The U.S. Defense Department's regulations authorizing withdrawal of security clearance of contractors' employees after administrative hearings that afford no confrontation of witnesses



**Sign tells the story of three-year-old Rubber Workers strike now in courts to test picketing and boycott rights.**

or access to investigative reports was questioned in *Greene v. McElroy* and *Taylor v. McElroy*.

The court in its decision, though failing to meet squarely the constitutional issues of due process and rights of judicial review, did in effect nullify the programs by holding in the *Greene* case that the type of hearings permitted by the department in these cases was the product of administrative decisions not explicitly authorized by either Congress or the President. In the absence of this explicit authorization the department was not empowered to deprive workers of their employment in a proceeding in which they were not afforded the safeguards of confrontation and cross-examination.

In *NLRB v. Borg-Warner Corp.* the Supreme Court had to determine whether an employer's refusal to enter into a contract, unless it included a "ballot" clause calling for a pre-strike secret vote as to the employer's last offer and a "recognition" clause which excluded the international union that had been certified, constituted an unlawful refusal to bargain.

The court held that it did.

Mandatory subjects of bargaining include "wages, hours and other terms and conditions of employment" and as to them

neither party is legally obligated to yield. The subject matter of the clauses here involved, however, was not deemed to be within the scope of mandatory bargaining. Consequently, the employer's insistence upon the inclusion of these clauses, and his refusal to enter into a contract without them, was regarded by the court as being "in substance a refusal to bargain about the subjects that are within the scope of mandatory bargaining."

### ***Other Important Decisions***

In other cases the court:

Struck down as unconstitutional a municipal ordinance which prohibited the solicitation of members for any dues-collecting organization without a permit granted by the mayor after consideration of the organization's nature and its effect upon the general welfare of the town's inhabitants—*Staub v. City of Baxley*.

Ruled that an exclusive bargaining agent under the Railway Labor Act is obligated to represent all employees in the unit fairly and without discrimination because of race, and that the courts have power to protect employees against such invidious discrimination—*Conley v. Gibson*.

Held that the enforcement of a valid "no solicitation" rule by an employer who is at the same time engaging in anti-union solicitation does not, in and of itself, constitute an unfair labor practice—*NLRB v. United Steelworkers; NLRB v. Avondale Mills*.

Upheled the jurisdiction of federal district courts to vacate an NLRB certification order made in excess of the board's delegated powers and contrary to a specific prohibition in the Taft-Hartley Act—*Leedom v. Kyne*.

In *NLRB v. Fant Milling Co.* the court considered the extent to which the labor board in formulating a complaint and finding a violation of Section 8(a) of the act may take cognizance of events occurring subsequent to the filing of charges upon which the complaint is based.

In this case the union, as the certified bargaining representative of the employees, filed charges with the board alleging the employer's failure to bargain in good faith with the employees' representatives. After a two-month period the board declined to issue a complaint and shortly thereafter the employer notified the union that it was withdrawing recognition and refused any further bargaining conferences.

The regional director then changed his earlier position and issued a complaint on the original charges and included as a part of the complaint all the acts of the employer subsequent to the time of the initial charge. The court, in its decision, took the position that once jurisdiction of the board is invoked, the board must be left free to make a full inquiry under its broad investigatory powers in order to properly discharge its duty to

protect public rights. The board, the court said, is not precluded from dealing adequately with unfair labor practices which are related to those alleged in the charge and which grow out of them while the proceeding is pending before the Board.

### ***Significant Issues Unresolved***

Two highly significant issues not yet resolved by the Supreme Court engaged the attention of lower federal courts during the past year. In the Curtis Brothers case a court held that peaceful picketing, whether organizational or recognition, is not a violation of the Taft-Hartley Act, so long as the picketing does not seek to compel employer recognition in the face of another union's certification.

In so holding the court rejected the view of the labor board that it is unlawful coercion for a minority union to picket an employer for recognition after losing a representation election, even though no other union has been certified.

In other cases, however, the NLRB received support from the courts for its massive Brown-Olds remedy, which penalizes unions by making them refund to all employees the dues collected under an invalid union security arrangement. The question of the legality of this heavy-handed method of retribution is now pending before the Supreme Court.

Litigation during the past two years has resulted in a mixed assortment of wins and losses for the labor movement. One of the principal victories, in Garmon, sharply curtailed state jurisdiction over labor matters which may be subject to federal control.

However, the ultimate measure of developments during this period will probably not be known until the Supreme Court finally passes on the anti-picketing and dues-reimbursement doctrines which have been enunciated by the present unsympathetic labor board. As always, the future remains uncertain in this field of law, sensitive as it is to the continually shifting currents of public policy.



## National Legislation

The importance of the labor movement's legislative activities has never been greater than in the last two years. During this period, labor's enemies have mounted an enormous campaign to defeat the AFL-CIO's efforts to secure anti-racketeering legislation and to enact, instead, virulent anti-labor legislation.

But labor has not been concerned solely with its own defense. Its interests have covered broad social objectives which can be obtained only through appropriate legislation, and which, once secured, will make a better life for all Americans. Housing, social security, education, civil rights, and mutual security are only a few of the many national problems for which the AFL-CIO has sought positive legislative solutions.

Congress and the President have not always treated these goals constructively. Congress has failed to pass needed legislation in many areas, and the President has vetoed several excellent measures which Congress did pass. In a few cases, substantive advances have been made.

A number of labor's legislative objectives are treated in this report under other headings, as noted below. The discussion of civil rights legislation, for example, will be found in the section of the report dealing with "Civil Rights." The report of the Department of Legislation begins on page 271.

## Atomic Energy

The world's new great source of abundant energy is the atom. Estimated domestic reserves of uranium ore carry the energy of 100,000 million tons of coal. The United States has spent more than \$18 billion of public money on military and peaceful nuclear development.

The American labor movement has a most vital interest in the development of the peaceful uses of the atom for mankind. It is the interest of working people in plants where there is ionizing radiation, the interest of consumers in abundant supplies of cheap nuclear power, the interest of taxpayers in the huge atomic

development investment they helped build, and the interest of citizens in seeing the atom's potential unlocked to benefit people everywhere in the world.

The AFL-CIO supports programs in the atomic field to:

1—Establish accelerated programs to develop nuclear power in large amounts and at costs competitive with those of power generated by conventional fuels.

2—Expand uses of radioisotopes in industry, medicine and agriculture.

3—Achieve greater protection to the health and safety of workers and the general public from radiation hazards.

4—Safeguard development of this new industry from being monopolized by a few large corporations.

5—Aid in securing leadership of the United States in developing widespread practical uses of the atom and aiding free world countries in establishing their own atomic programs.

### ***The Domestic Atomic Development Program***

The present Administration continues to cling to its outworn and sterile dependence on the private power companies to provide an adequate atomic power program for the nation.

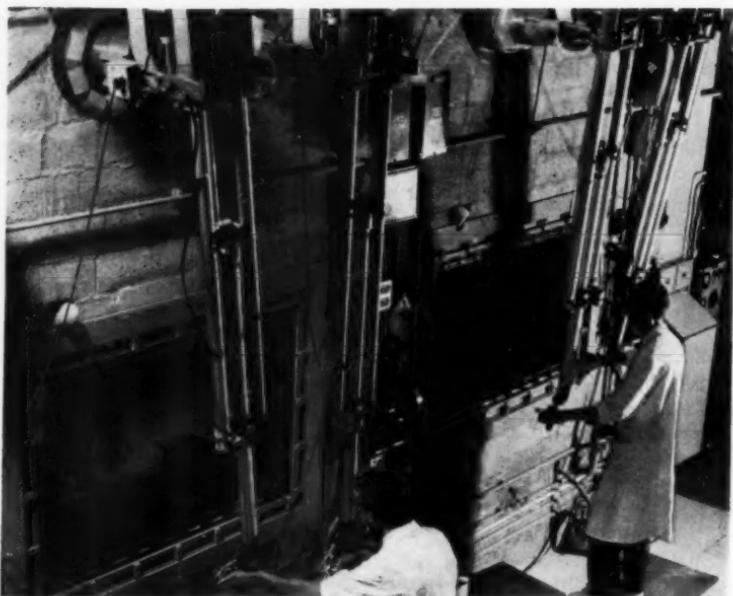
At this stage of development, the electric utilities have not done nor are they capable of doing the job, not only because of its scope, its financial uncertainties and technical imponderables, but because the utilities are chiefly interested in keeping the federal government out of the field.

The Atomic Energy Commission has stubbornly refused to exert any leadership of its own, and has continued to assure the public that private enterprise would move ahead. As a result, AEC's estimate of 2 million atomic kilowatts by 1960 was scaled down to 1.3 million kilowatts in a 1958 forecast. Now it is indicated the present power program will do well to provide upwards of 750,000 kilowatts by 1963-64.

Unless the commission undertakes a large-scale demonstration reactor program to derive the necessary practical experience in design, construction and operation of promising reactor types, America stands to lose its erstwhile world leadership, and its domestic power development program will be delayed for years.

Great Britain's atomic power program will provide about 1,750,000 kilowatts by 1963, with another 1.5 million kilowatts expected to be under construction by that time. Soviet Russia may have 2 million kilowatts of atomic power capacity by 1963-64. Euratom's 1963 power goal of 1 million kilowatts may be modified, but its program is definitely getting into gear. Other nations, particularly France, Italy and Japan are moving forward in this field.

The AFL-CIO has long urged a nuclear power program for America capable of producing significant amounts of competitively priced power and with long-term and short-term goals.



**Development of national program for peaceful use of atomic energy, coupled with adequate safety standards, is labor's goal.**

The joint committee and the commission staffs attempted to work out such a blueprint in 1958, but could reach no agreement. Now, AEC's Reactor Development Division has recently announced formulation of a comprehensive 10-year program to be completed Jan. 1, 1960.

### **Radiation Hazards and Workmen's Compensation**

The AFL-CIO, since 1957, has urged that peaceful development of atomic energy go hand in hand with and not at the expense of the safety of workers and the general public.

The AFL-CIO this year reaffirmed its position that occupational health and safety of workers dealing with radiation should continue to be the primary responsibility of the federal government and not of the states. We took strong exception to the AEC legislation (HR 7214 and S 1987) which would pass to the states most of the AEC's present authority in radiation health and safety. The AFL-CIO Staff Subcommittee on Atomic Energy and Natural Resources is now preparing draft legislation to reinforce federal responsibility for radiation control as a substitute for the commission's bill. (See Supplemental Report Page 379).

The commission recently proposed new regulations governing

occupational protection against radiation in AEC-licensed establishments. The AFL-CIO sent the commission strong recommendations to improve the regulations to achieve more effective protection for workers.

The AFL-CIO has many times urged the joint committee and Congress to do something about the special problems in the field of workmen's compensation raised by occupational radiation hazards. We have shown the record of inaction by the states, and pointed out that the only means of gaining necessary compensation protection for workers exposed to radiation is through federal legislation.

The Staff Subcommittee on Atomic Energy and Natural Resources has submitted proposed legislation which would establish federal workmen's compensation programs under uniform nationwide standards.

### ***Licensing of Atomic Patents***

AEC's authority to compel licensing of privately owned atomic energy patents with reasonable compensation to the owner, where it is clearly in the public interest, was scheduled to lapse on Sept. 1, 1959.

The AFL-CIO has asked the joint committee to vest this power indefinitely in the commission to prevent a few big corporations from controlling future development of the atomic industry by ownership of vital patents.

In the AEC appropriations bill for fiscal 1960, Congress extended the commission's authority over patents another five years.

### ***International Developments***

An active supporter of the formation of the International Atomic Energy Agency, the AFL-CIO has continued to urge that this 80 nation organization be strengthened, and the United States make its actions as generous as its words when the President proposed it in 1953.

The United States previously has offered nuclear fuel to the agency at a quotation too high to be acceptable, while Canada offered the requested amount without charge. This year, an agreement signed between IAEA and the U.S. stipulates that uranium supplied by the U.S. will be made at AEC's published rates for domestic distribution and will remain in effect for 20 years—hardly a gift.

The U.S. also donated \$600,000 toward the cost of IAEA's new laboratory near Vienna, Austria, but has not fulfilled its 1957 promise to donate a research reactor and radioisotopes facilities to the international agency.

The AFL-CIO strongly supported the treaty to provide aid to Euratom which was ratified by the U.S. Senate early in the first session of the 86th Congress.

The 43rd session of the International Labor Organization in June 1959, in Geneva, Switzerland, approved conclusions for an international labor convention supplemented by a formal recommendation with respect to protection of workers against radiation.

After the conclusions have been referred to the 80 ILO member states for comments, the 1960 conference will make the final decision.

The proposed international safeguards would cover all conceivable fields involving or liable to involve radiation exposure.

The AFL-CIO through its ILO delegation, has been active in working with free trade unions in the field of occupational safety in nuclear development, and has likewise joined with the ICFTU in exchange of information and drafting of policies affecting this important industry.

### ***Apprentice Training***

**Worker and the Community Section      Page 170**

## **Community Facilities**

One of the nation's most critical needs in the postwar period has been for a greatly enlarged program of public works at the community level. Improvements in water systems, sanitation facilities, roads, parks, public buildings, health facilities and other similar programs have been made necessary by an expanding and migrating population.

The AFL-CIO has steadily supported legislation that would provide some federal assistance to those localities that are particularly hard-pressed to meet these needs for community facilities.

In 1958 a \$2 billion Community Facility Act (S 3497) was approved by the Senate as a partial remedy to the then-continuing national unemployment slump. The measure would have done a great deal at local levels to reduce unemployment through loans to communities for construction of public works, including water, sewage disposal, library, recreational, hospital and park facilities.

Repayment would have been spread over not more than 50 years on loans at an interest rate covering the cost of money to the government plus one-quarter of one percent for administrative expenses.

The legislation died in the House in the closing days of the 1958 session. This year, a somewhat more restricted form of the legislation was introduced by Rep. Brent Spence, chairman, House Banking and Currency Committee. This bill providing

\$1 billion in loans to localities was confined to water, sewer, and certain public health facilities. In its testimony, the AFL-CIO supported the bill but urged that it be broadened to cover other types of facilities.

While this bill received a favorable hearing, it became a victim of the Administration's anti-spending campaign and did not come to a vote in the House.

### ***Civil Rights***

**Civil Rights Section      Page 190**

### ***College Extension Programs***

**Worker and the Community Section      Page 162**

## **Conservation and Natural Resources**

The AFL-CIO Executive Council adopted a natural resources policy statement in February 1959 calling for:

1—A forward looking policy and programs fully designed to conserve, develop and utilize America's resources for an expanding, full employment economy.

2—Vigorous reaffirmation of federal responsibility in this field, buttressed by comprehensive programs requiring a sharp increase in the nation's resources investment and extending the TVA idea of unified river basin development into other regions of the country.

3—Resources programs which would modernize America's power supply system, protect natural resources against monopoly, strengthen the yardstick principle of public power competition to increase supply, consumption, and lower electric rates. These programs would include erosion control, fish and wildlife and pollution abatement, irrigation, minerals, reforestation and sustained yield on forest land and expanded recreation.

### ***Hells Canyon***

Probably the greatest resources fight of this century came to an end, at least for the time, when, on June 20, 1958, the House Interior Committee, by the votes of two southern Democrats and the GOP minority, killed the Senate bill (S 555) to authorize federal construction of the high Hells Canyon project on the Middle Snake River.

The AFL-CIO and a number of its affiliated unions had fought many years for a Hells Canyon dam as the best way of harnessing the water resources of that part of the country and as an overshadowing symbol of full versus partial and inadequate development of the people's resources heritage.

## **Tennessee Valley Authority**

Since 1953, the Administration and Congress have not provided TVA with appropriations to provide new generating facilities to meet its mounting peacetime and defense power loads. As a result, TVA has been using surplus power revenues for this purpose and is rapidly exhausting them.

Legislation to provide an alternative method of financing TVA's power expansion program by issuing revenue bonds on the money market is vitally needed immediately, or TVA will face a 5 percent power deficit by 1963.

S 1869 was passed in 1957 by the Senate and pigeonholed in the House Rules Committee by its Chairman, Rep. Howard Smith in the final hours of the 85th Congress.

The AFL-CIO has been active in support of TVA self-financing legislation without restrictive amendments giving the Treasury Department and Bureau of the Budget undue control over TVA bonding activities.

The House passed the bill by 247-110, after a motion to recommit was defeated 182-231, and all crippling amendments voted down. The Senate passed the measure with amendments by voice vote, rejecting a motion to recommit by 17-73.

The legislation was signed by the President after Congress pledged to remove a section curbing the President's authority on specific TVA self-financing plans.

## **160-Acre Limitation**

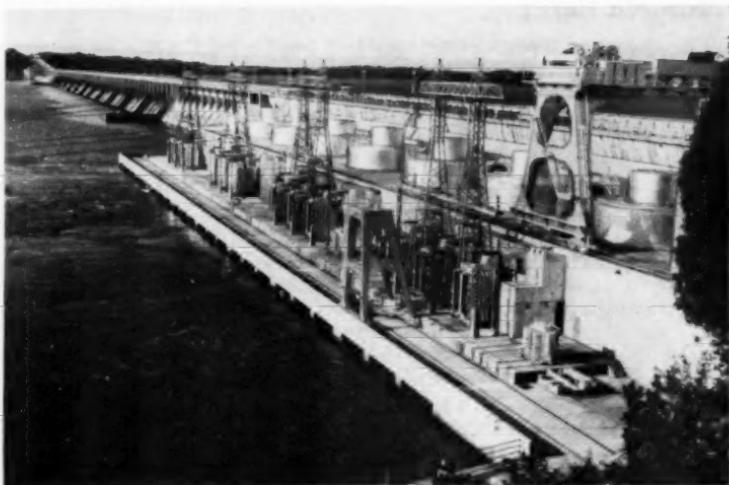
One section of legislation (S 77 and HR 5687) to authorize financing and construction of the San Luis project in California's Central Valley by the Bureau of Reclamation and the state of California would have seriously undermined the so-called 160-acre excess land protection of federal reclamation law, which protects the family-sized farm and prevents monopolization and speculation on federal reclamation projects.

The AFL-CIO and California State AFL-CIO have endorsed San Luis as a most necessary project to provide supplementary water to 900,000 acres of land and form an important link in California's vast plan to take water from the north to be used in the water-short south.

We strongly opposed the giveaway section in the San Luis legislation which would remove the 160-acre provision from about 400,000 acres of land in the state service area and make possible a \$400 million subsidy to a handful of corporations and corporation farms.

The public interest won a victory when the Senate agreed to remove the giveaway section from San Luis legislation after a dramatic floor fight. The bill then passed by voice vote.

The House Interior Committee reported out a San Luis bill



**Proper development of natural resources to supply America's needs for low-cost power is AFL-CIO goal.**

(HR 7155) with the same objectionable language. Efforts to improve it were being made in the House as this report went to press.

### **Trinity Project**

Congress was given final voice in determining whether the Bureau of Reclamation's Trinity Project in California would be all-federal or have its power facilities construction and its power production controlled by the giant Pacific Gas and Electric Company.

Interior Secretary Fred Seaton has three times proposed that PG and E be allowed to install its own turbines and generators and pay the government for the falling water. Seaton claimed this would make more money available for California reclamation than an all-federal project. Opponents pointed out that it would result in sharply decreased power production and tremendously increased power costs to municipalities and U.S. defense agencies in the area.

Legislation to carry out the Eisenhower Administration's Trinity partnership scheme has gotten nowhere in the House Interior Committee, where hearings have been completed.

The House Appropriations Committee refused in 1959 to appropriate money to get started on design and engineering of federal power facilities at Trinity, but the Senate allowed \$2.4 million for this purpose in the Public Works Appropriation bill for fiscal 1960. (See Supplemental Report Page 379).

## **Columbia Basin**

The Corps of Army Engineers has completed its review report of recommended major water development projects on the Columbia. Organized labor in the region and the AFL-CIO oppose the corps' failure to recommend the great Nez Perce project, downstream on Snake River from Hells Canyon, and the Paradise storage project on the Clark Fork in Montana, for construction. Instead, the corps has selected lesser alternative projects.

In connection with development of the Middle Snake, labor has endorsed a resolution, sponsored by six Pacific Northwest senators. This resolution would convey the sense of Congress that this reach of the Snake and its tributaries should be preserved from development until an intensive fisheries research program is carried out to make feasible passage of migratory steelhead and salmon over high dams.

The AFL-CIO has also proposed that the corps restudy the Hells Canyon reach of Snake River to determine feasibility of condemning the private dams and building a high Hells Canyon dam.

Hearings have been held on S 1927 establishing the Bonneville Regional Corporation which would be given major responsibility for providing the region's wholesale power supply and would finance construction of its river projects by issuance of revenue bonds on the private money market. Labor in the region, together with the AFL-CIO, endorses S 1927 in principle, but proposes strengthening of the bill's language dealing with protection of the preference and priority of public groups in the purchase of federal wholesale power, and certain other aspects of the bill.

## **Potomac River Development**

An unharvested and filthy river, the Potomac is both a national disgrace and a national opportunity for full and comprehensive development, serving as it does the nation's capital and mushrooming metropolitan area.

The AFL-CIO and labor in Maryland and Washington, D. C., support adequate funds for the corps to keep on schedule with its review study of comprehensive development of the Potomac due in 1961. The Senate, however, amended the Public Works Appropriation bill for 1960, now in conference, restricting the use of the funds merely to study water supply and pollution control.

HR 5194 would create a National Historical Park along the ancient Chesapeake and Ohio Canal paralleling the Potomac and was endorsed by the AFL-CIO because it protected future use of park lands for necessary water development. As reported out in the form of a clean bill (HR 2331), this legislation no longer contains the necessary protection needed for future development of the river, and attempts are planned to restore such language.

## **Water Pollution Control**

Pollution of water is a problem of growing magnitude in America at a time when increasing burdens are being placed on available supply.

This year the House passed a bill which would amend the Water Pollution Control Act of 1956, both increasing the annual moneys available for federal grants-in-aid to communities desiring to build primary sewage disposal plants, and upping the total program authorization. The Administration has unsuccessfully tried to reduce the statutory \$50 million authorized for the annual grants-in-aid program, and to turn back completely to the states and localities efforts to control pollution.

HR 3610 passed the House this year 254-142, a motion to recommit losing 156-240. The Senate Public Works Committee has an identical companion bill—S 805, and had concluded hearings on both bills as this report went to press. (See Supplemental Report Page 380).

The Senate passed a resolution which establishes a special committee from the Senate Interior and Public Works Committee to plan ahead for America's future water needs by designating the best water development projects for storage and other multiple purposes.

The resolution would provide for a special study by the Department of the Interior to look into the future wholesale power supply system of the nation, keeping in view the necessity of increased capacity in generation plants, and in transmission lines, and of regional interchange of power.

Another natural gas bill (HR 366) which would exempt major gas producers from FPC regulation under the Natural Gas Act, has been introduced. It would result in more than 20 million consumers being forced to pay more than \$1 billion annually in higher gas rates.

## **Minerals Legislation**

The domestic mining industry has been on a gradual and dangerous decline, bringing with it growing unemployment and economic stagnation in many communities over the country.

In the 85th Congress the House rejected a bill designed to stabilize production of copper, lead, zinc, acid grade fluorspar and tungsten, by a 159-182 vote, after it had passed the Senate 70-12.

Prompted by the failure of the Administration to propose necessary minerals legislation to Congress, the House Interior Committee's Subcommittee on Mines and Mining has favorably reported a resolution which would declare it to be the sense of Congress that fostering and encouraging a sound and stable domestic mining industry is in the national interest, and that failure thus far to act has produced damage to properties, wastage of human and natural resources and loss of productive

capacity adversely affecting the national economy and national security.

Proposed by the resolution as the basis of desirable minerals legislation are programs stimulating orderly discovery and development of minerals reserves, and research to promote use of domestic minerals. The AFL-CIO supports this legislation. (See Supplemental Report Page 379).

#### New Starts Increased by Congress

The House, while keeping within the total Budget Bureau request, cut some programs and used the money saved to provide several new multi-purpose project construction starts not recommended by the Administration.

With the Senate amendments, the Public Works Appropriations bill, as it went to conference, exceeds Budget Bureau estimates by almost \$80.2 million, adds additional new starts and planning money for authorized projects, and calls for a resources expenditure of \$1.256 billion during fiscal 1960, up \$40 million from fiscal 1959.

## Consumer Protection

The AFL-CIO supported Public Law 85-929 which permits the Food and Drug Administration to control the use of harmful additives to everyday foods.

This law was the first important step in this field since passage in 1906 of the original Pure Food and Drug Act and a subsequent bill on food, drugs and cosmetics in the 1930's.

The vast numbers and varieties of substances available for domestic use, either misbranded or inadequately branded, constitute a safety hazard in almost everyone's everyday life. HR 7352 is designed to meet the situation but fails to cover the industrial field where the health and general well-being of many of our members are affected.

The Senate has approved S 441 providing a four-year extension of the law expiring June 30, 1960 and increasing from \$5 million to \$7.5 million the authorization to finance the act. House action on HR 2347 was incomplete as this report went to press.

Representatives Tom Murray and Edward H. Rees, supported by the postmaster general and the Administration, moved to abolish the Postal Savings System established early in the century. Banking and other interests have attempted to bring about its abolition for years. The bill has not cleared the House committee.

## **Fair Trade**

Organized retail druggists in 1959 succeeded in getting action on the Harris bill to maintain retail prices on "fair-traded" branded items.

The effect of the legislation would be to require retailers to sell products at prices fixed by the manufacturer. It is estimated that passage of the bill would result in an immediate increase in costs for all merchandise covered by the bill ranging from 10 to 40 percent in all cases where manufacturers choose to invoke the law.

The AFL-CIO position has been in complete opposition to the bill as removing an important part of the free enterprise system from the competitive area.

## **Financial Institutions**

Congress last year rejected a 252-page revision of the Financial Institutions Act, which was submitted to Congress by a committee composed largely of bankers.

Among many other provisions, the bill (S 1451) would have altered or repealed usury and conditional sales laws among others. The AFL-CIO expressed doubts on many parts of the bill. It appeared that laws repealed long ago were being re-instituted and many other alterations of the face of the financial system were being changed.

The AFL-CIO asked that the bill be defeated in committee. The Senate had passed the bill, but it died in House committee.

The AFL-CIO endorsed the purposes of legislation to expand the opportunity of federally regulated credit unions to render greater service. These services would include: raising the statutory loan maturity limit from the present three years to five years; increasing loan amounts obtainable on signatures from \$400 to \$1,000; more realistic plans for paying off consolidated debts; authority to declare dividends semi-annually instead of once a year; improvements in internal administrative practices and many others.

All Republican members of the House Banking and Currency Committee voted against the legislation thus causing an indefinite delay.

## **Depressed Areas**

The recovery from the recent recession dramatically highlights once again the plight of America's depressed areas. Although production is again setting new national records, chronic distress continues in scores of blighted areas across the land.

By last May, for example, the economic upturn had cut the unemployment rate to 4.2 percent of the labor force in non-

depressed areas, according to a study by the Area Employment Expansion Committee which is based upon state and federal statistics. But in the 179 areas which the committee classified as chronically depressed, unemployment equalled 10.8 percent. Although these areas contained one-seventh of the country's labor force, they accounted for about one-third of the unemployed.

Thus, one of the main reasons why the jobless remain so numerous despite rising production trends is the spreading number of communities without adequate employment resources. In some cases plants have lost much of their market or have closed down altogether. In others raw materials have become exhausted. Regardless of the cause, the economically blighted area has become a fixture on the American landscape. With rapid technological change, the situation threatens to become much worse unless a major effort is now undertaken to help these stranded communities.

During the last two years, the AFL-CIO has continued to give leadership to the effort to enact a comprehensive federal program to help chronically depressed industrial regions and impoverished rural areas achieve economic well-being.

After passage in 1958 of an Area Redevelopment Act by both houses of the Congress, we thought victory had been won. Federal action had been promised by both parties and the measure sent to the President was a compromise of the ideas of Republicans and Democrats alike. Therefore, it came as a shock when President Eisenhower, taking advantage of the adjournment of Congress, killed the measure with a pocket veto.

Early this year the Senate for the third time passed a com-



Federal aid for chronically depressed areas is urged by Secretary-Treasurer Schnitzler at House hearings.

prehensive Area Redevelopment Act, sponsored by Senators Paul H. Douglas, Joseph Clark, John Sherman Cooper and J. Glenn Beall (S 722). In rapid order the House Banking and Currency Committee, under the chairmanship of Rep. Brent Spence, favorably reported a quite similar measure. House action was uncertain as this report went to press.

### **Provisions of 1959 Bill**

The bill passed by the Senate and the one favorably reported by the House committee both make provisions for various methods of aid, all of which are vital if federal assistance is to adequately assist in the restoration of economic self-sufficiency.

Both bills provide for technical assistance to help the distressed communities assess their potentialities and plan their rehabilitation program realistically. In addition, low interest federal loans of long duration would be provided for private enterprises moving into, or expanding in, these areas. But in no case would aid be given to a runaway employer. The bills would also provide federal grants and loans to help build critically needed public facilities, the construction of which would help bring in permanent jobs. They also provide funds for the vocational retraining of displaced workers including funds for the economic support of the trainees.

Both bills would establish an independent federal area redevelopment administration to coordinate the efforts of private citizen groups and all government agencies—federal, state and local—in a united effort to eradicate the cancer of chronic local unemployment.

When the Senate enacted S 722, it authorized the use of \$390 million in federal funds to aid the depressed areas. Most of these funds are for loans and ultimately would be repaid to the Treasury. The total sum was deemed to be the minimum necessary to launch an effective Point IV effort against poverty and blight in the distressed areas of the United States. Under the House bill, however, the total sum is more than a third lower—about \$250 million. The cut was made reluctantly by the committee in an effort to meet the "economy" criteria of the President and to encourage him to withhold his veto.

The promise to provide federal aid for the victims of chronic area distress was made by both parties back in 1952, and it has been repeated frequently since then. The Congress has honored its pledge. The President has not. The AFL-CIO will continue its fight for this vitally needed legislation until the victory is won.

### **Davis-Bacon**

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### **Federal Aid to Education**

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## Federal Employes

### ***Health and Medical Coverage***

Whereas in recent years salary legislation has commanded the major attention on the legislative front of those representing government employes, in 1959 emphasis shifted to a service-wide health and hospitalization plan.

The AFL-CIO joined government employee unions in calling for a free choice of plan, an effective advisory council to include government employees, government contribution of at least 50 percent of cost, full disclosure of participating plans' financial operations and coverage for retired persons.

S 94 (HR 208), the original bills, were succeeded by S 2162 (HR 5178). The Senate passed the bill after a unanimous favorable committee report. The cost of the original bills was \$405 million, of the revised bills \$290 million. The Administration maintained a position favoring \$200 million.

The bi-weekly cost to single persons would be \$1.75, male employees with families (children included to age 19) would pay \$4.25 as would women employes with dependent husbands and children, and employes with non-dependent husbands and children, \$6.00.

On non-hospital expenses employes would pay the first \$100 for doctor visits, office or home, medicines, prescriptions, etc. Insurance would cover 80 percent of such expense beyond \$100 and to \$1,500 per member of family, after which the insurance would meet full expense to a maximum set administratively, perhaps \$10,000—\$15,000 ceiling for each member. (See Supplemental Report Page 378).

### ***Round-up of 85th Congress***

Vetoes were inflicted upon legislation to adjust the salaries of government employes in the 85th Congress. The veto streak was broken last year upon enactment of Public Law 85-426 which combined postal rate and postal pay increases. The President signed a bill a fraction of a percent at variance with one he previously had killed. Pay increases for classified employes followed quickly in the form of Public Law 85-462.

In all, 12 public laws were enacted in the second session of the 85th Congress of importance to government employes. One was vetoed and two remained incomplete, approved either in House or Senate. Those approved include:

Elimination of undue delay in effective date for wage board (blue-collar) employes pay (Pub. Law 85-872). Reinstate ment rights (Pub. Law 85-847). Maintenance of salary level in face of down-grading (Pub. Law 85-737). Right to withdraw voluntary contributions from retirement fund (Pub. Law 85-661).

Taking over and maintaining group beneficial association members' insurance policies previously endangered through enactment of the life insurance act (Pub. Law 85-377). District of Columbia police-fire fighters pay increase (Pub. Law 85-584). Increased retirement annuities (Pub. Law 85-465). Increase in District of Columbia teachers salaries (Pub. Law 85-838) and retirement fund (Pub. Law 85-46, 85-917). The bill (S 2266) to apply Boston Naval Yard rates to the Portsmouth Shipyard was vetoed. The veto was overridden in the Senate but not in the House.

### ***Activities in the 86th Congress***

This year, in addition to the health-hospitalization legislation, Congress made its most serious attempt to relieve from personal liability drivers of government motor vehicles. Under this legislation the government would be responsible for civil damage suits in traffic accidents involving federal personnel on official government business.

HR 5752, assuring a week-day holiday for holidays falling on Saturdays was passed by the House after an Executive Order had been issued excusing personnel from working on July 3, 1959, but continuing postal operations that day with only compensatory time off at a later date. The bill would close such operations and all others not absolutely essential, and would provide for premium pay to those who are compelled to work.

The "Career Executives" service, created by executive order last year, failed to be activated this year for want of appropriation. The unions generally opposed legislation to substantiate the executive order.

S 1638, which would have turned over to the presidential office tight control of the federal Civil Service except for appeals and miscellaneous functions, again was the subject of Senate hearings but with scant likelihood of eventual approval.

Proposed legislation similar to that which expired last year was revived in the House with hearings on the Murray-Rees bill to extend suspensions to persons accused as security risks though employed in non-sensitive jobs. This bill was intended to meet the objections of the Supreme Court and would grant almost limitless authority to administrative officials who wish to be rid of employes with the least formality. The bill has not progressed beyond the hearing stage and bears little likelihood of further progress.

HR 696 liberalizing the provisions of the Hatch Act was cleared by the Subcommittee on House Administration. It modifies the penalties and allows more liberal action in local elections.

HR 3367, under which the Defense Department sought to shift wage board employes from long-standing wage fixing machinery

to classified pay, was tabled in the House Armed Services Committee. This bill was unanimously opposed by blue-collar unions.

## Federal Grant Programs

In 1959, about \$6 billion collected by the federal government is being distributed to the states and to their local governments in order to help them achieve minimum standards in the performance of a variety of services which Congress feels are vital to the public welfare.

These federal grants will be used to help build highways, hospitals and airports; increase aid for the needy aged, orphans and the blind; provide low-cost lunches for the nation's school children; stimulate vocational education and the rehabilitation of the handicapped; accelerate slum clearance and the construction of public housing; and support a score of other services which otherwise could not be undertaken by our poorer states and localities.

These grants are generally apportioned on the basis of population and need, and the states and localities are required to match them with funds of their own.

The growth of federal grants-in-aid to the states and local governments—and likewise the concurrent growth of state grants to their own localities—reflects new governmental responsibilities that changing times and needs have brought about.

Grants-in-aid, through the use of the matching principle, encourage the recipient states and localities to undertake and to give financial support to new forms of public service which are deemed vital to the broader public interest. In addition, grants-in-aid enable poorer governmental units to raise their minimum standards of public service to a level which is deemed essential to the public welfare but which would not be achieved without them.

In addition, federal and state grants-in-aid make it possible for lower governmental units to finance essential functions which they are capable of performing even though state and local tax revenue may not be sufficient to meet the total cost.

### Drive on to Reduce Grants

The AFL-CIO regards intergovernmental grants-in-aid to be essential in a humane and increasingly interdependent nation, and we support the expansion of this program as the needs may dictate. Unfortunately, the present Administration and a substantial group of reactionary citizens would turn the clock backward and reduce or end entirely the federal grants-in-aid programs. While they cite the safeguarding of states' rights as justification of their position, it is in fact intended primarily to serve the special interests of wealthy corporations and individuals.

The federal tax system, despite its imperfections, collects almost 80 percent of its revenue from progressive taxes on corporation profits and individual income which is related to ability

to pay. Those who are campaigning against federal grants-in-aid view all federal expenditure cuts as promising a gigantic tax saving for themselves.

Even if the states and local governments would increase their own taxes to make up for revenue losses after federal grants are whittled away, this, too, will yield a net gain for the wealthy; most state and local levies bear most heavily on families who are least able to pay. Even more likely, according to the calculations of the opponents of federal grants-in-aid, the state legislatures that are controlled by reactionaries would be likely to whittle down public welfare programs once federal aid matching funds are withdrawn. Those who sincerely seek to strengthen state and local governments must strive to improve and extend the federal grants-in-aid programs, not to destroy them.

In 1959, the Subcommittee on Intergovernmental Relations of the House Committee on Government Operations held hearings on S 2026 and HR 6904, bills which would establish an advisory commission on intergovernmental relations. The commission would bring to the representatives of the federal, state and local governments the consideration of common problems; provide a forum for discussing the administration and coordination of federal grant and other programs requiring intergovernmental cooperation; encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation; and recommend within the framework of the Constitution the most desirable allocation of governmental functions and responsibilities among the several levels of government.

The AFL-CIO supports the establishment of the proposed commission.

### ***Health Care for Aged***

Social Security Section      Page 128

### ***Health Plans Assistance***

Social Security Section      Page 145

### ***Hospital Construction***

Social Security Section      Page 147

### ***Housing***

Worker and the Community Section      Page 159

## **Immigration and Refugees**

In the period since the last convention there has not been any basic immigration reform legislation, but a few minor actions have taken place.



**Federation urges revamping of U.S. immigration laws to speed resettlement of refugees in land of opportunity.**

In 1958, the Congress "regularized" the status of the 32,000 Hungarian refugees who had come to the United States as "parolees." The AFL-CIO had advocated that this be done.

On July 1, 1959, the United Nations' World Refugee Year had started without any action having been taken by Congress to implement it. This was a great disappointment to many groups, including labor, that had been urging the Administration and Congress to appropriate additional funds for refugee relief and to open our immigration doors to additional refugees. President Meany and Vice President Joseph A. Beirne, as officials of the United States Committee for Refugees, supported the recommendations of that committee.

On June 30, 1959, the AFL-CIO presented testimony to the Senate Judiciary Committee in which it urged Congress to "liberalize and humanize our basic immigration policies" as the most meaningful thing it could do during World Refugee Year. This statement was in line with the 1957 convention resolution which called for the abolition of the national origins quota system and for an increase in the national quota from 155,000 to 250,000 immigrants annually.

Major bills pending before the Congress which would strike at basic immigration changes are the Celler bill in the House, endorsed by the Executive Council and the Kennedy bill in the Senate which takes a somewhat different approach but would

achieve similar results. The Administration has proposed other changes which do not go as far but which would mean substantial improvement in the law.

### ***Impacted Areas Aid***

**Worker and the Community Section      Page 165**

### ***ILO Ceiling***

**International Relations Section      Page 124**

### ***Labor Legislation***

A detailed report on the legislative actions dealing with labor-management "reform" bills will be found in a supplement to this report on Page 369.

### ***Longshoremen and Harbor Workers***

**Safety Section      Page 180**

### ***Medical Education and Research***

**Social Security Section      Page 146**

### ***Minimum Wage***

**National Economy Section      Page 99**

### ***Mutual Security***

**International Relations Section      Page 124**

### ***National Defense Education Act***

**Worker and the Community Section      Page 164**

### ***Public Assistance***

**Social Security Section      Page 130**

## **Railroad Retirement**

On Aug. 29, 1959, the federally administered system of insurance for railroad workers celebrated its 24th birthday. During its existence the system has progressed to the point where railroad workers now have financial protection against the economic hazards of old age, disability, unemployment, sickness and death.

Twenty-four years ago, there was only a system of retirement benefits—today there are four distinct, but integrated, programs:

1—A retirement benefit program for aged and disabled employees.

2—A survivor benefit program for the families of employees who die.

3—An unemployment benefit program for employees who are out of work.

4—A sickness benefit program for those who are temporarily unable to work because of illness or injury.

During the 85th Congress efforts were made to increase benefits under this program. Legislation was introduced to bring railroad retirement benefits into line with the increase in Social Security benefits enacted in 1958.

In the last days of the session, when these efforts seemed doomed, Sen. Wayne Morse moved to amend a longshoremen's and harbor workers' compensation bill by increasing railroad unemployment compensation benefits and railroad retirement benefits. The retirement increase, which carried with it increases in contributions to the system, would have been 10 percent.

The Morse amendment was adopted and the bill passed the Senate. But in the House the bill needed unanimous consent for its consideration because the Rules Committee did not meet. Retiring Rep. Joseph P. O'Hara objected to its consideration and the bill died with the adjournment of the House a few hours later.

Thus, the railroad workers were denied a needed increase in benefits in the 85th Congress.

#### Action in 86th Congress

Shortly after the 86th Congress convened, legislation was introduced by Sen. Morse (S 226) and Rep. Oren Harris (HR 1012) to increase benefits paid under both the Railroad Retirement and Unemployment Insurance Systems and to increase taxes paid to support those systems. These bills were identical for all practical purposes to S 1313, which passed the Senate last year.

Hearings were held by the House Interstate and Foreign Commerce Committee and the Senate Labor and Public Welfare Committee. Following conclusion of the hearings in the House, the committee after several executive sessions adopted a series of crippling amendments to HR 1012. The provisions of HR 1012 with amendments adopted by the committee were embodied in a compromise bill, HR 5610, which was reported to the House on Mar. 12. The bill as reported was wholly unacceptable to the railroad unions.

The devastating and indefensible action which was reported by the majority of the committee in HR 5610 related to the unemployment insurance tax act amendments. The bill as reported not only eliminated important benefit improvements recommended last year by the committee, but it also proposed the elimination and curtailment of benefit rights which have been provided by existing law for periods of 13 to 20 years.

A strong minority of the committee dissented. On the floor of the House a motion was made to strike out everything except the enacting clause of HR 5610 and substitute the provisions of HR

1012 as originally introduced. The bill passed as amended by voice vote.

On the same day HR 5610, as amended, was passed by the Senate. It was signed by the President on May 19, 1959—Public Law 86-28.

#### **Provisions of New Law**

The new law provides substantial increases in benefits under the Railroad Retirement Act and Railroad Unemployment Insurance Act. Major changes in the new law would raise benefits under the Railroad Retirement System in general by 10 percent and those under the Unemployment Insurance System will average about 20 percent higher. The law also provides additional income necessary to put the systems on a sound financial basis and to pay for increased benefits.

The present maximum retirement annuity is raised from \$186 to \$205 and the maximum for a retired employe and his wife is increased to \$271 monthly.

The maximum benefit rate under the Unemployment Insurance System is raised from \$8.50 to \$10.20 daily. Benefits would be paid for all days of unemployment over four in the first registration period, the same as they have been for subsequent periods. In effect, this would remove the unemployment waiting period.

To provide funds to support the benefit increases, in addition to raising the maximum taxable earnings to \$400 a month, a new schedule of contribution rates with the maximum of  $3\frac{3}{4}$  percent was adopted. The maximum rate would apply when the Sept. 30 balance is under \$300 million instead of under \$250 million. The higher rate would be payable for compensation for service performed after May 31, 1959.

Passage of this legislation is an important step toward an adequate railroad retirement and unemployment insurance program.

### ***Reciprocal Trade***

International Relations Section      Page 125

### ***Rule 22***

Civil Rights Section      Page 189

### ***Social Security, OASI***

Social Security Section      Page 127

### ***Surplus Food***

Social Security Section      Page 123

### ***Taxes***

National Economy Section      Page 96

### ***Unemployment Compensation***

Social Security Section      Page 132

## **Veterans**

A bill now awaiting Senate action provides that post-Korean veterans who enter service after Jan. 1, 1955, may pursue a wide range of educational objectives including: school courses, both at college and below college level; vocational training; correspondence courses, combining school and on-the-job training; and on-the-farm training.

The AFL-CIO took a leading part in promoting this legislation in the face of a passive attitude on the part of the Administration.

Need for the bill is based upon continuation of the Selective Service law in a period of relative peace to relieve hardships upon young men called up for service. Today's veterans must perform active reserve duty after separation from service, unlike the obligation incurred by previous servicemen. Persons not called to military service thus derive an important competitive advantage.

To facilitate the re-employment of union members and others who return to civilian life after performing service in the Armed Forces, HR 5040 was offered clarifying job rights provisions.

Many veterans have been denied restoration to job status through technicalities. The Veterans Re-employment Rights unit, Department of Labor, would find greater facility in administering its functions with the aid of HR 5040. (See Supplemental Report Page 379).

### ***Walsh-Healey***

National Economy Section      Page 102

### ***Welfare Plan Disclosure***

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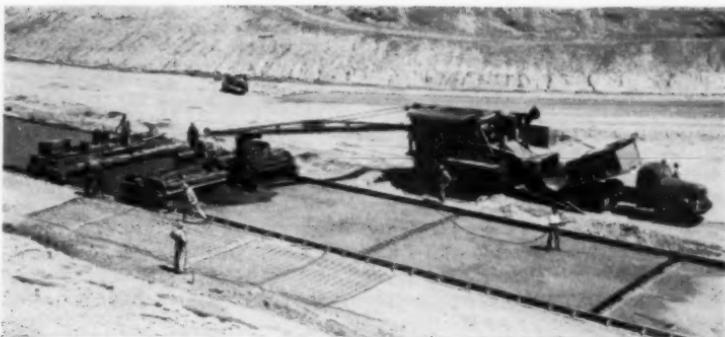
## **Additional Legislation**

### ***Airport and Road Construction***

The AFL-CIO's consistent support of extension of the Airport Construction Aid Act bore results this year in the signing of Public Law 86-72. A similar bill with less appropriations authorization was vetoed last year.

The AFL-CIO position was that federal funds should be used only for terminals, runways and turnoffs and necessary appurtenances including traffic facilities, weather and communications facilities, shorn of luxury facilities, e.g. parking lots, lounges, hotels, etc. The legislation carries \$63 million a year for two years.

The 1956 Interstate Highway Construction Act incurred fi-



**Organized labor supports stepped up program of building interstate and defense highways to boost national prosperity.**

nancing difficulties in 1958 because of suspension of the pay-as-you-go rider and the invoking of a crash program for road building during the recession.

This year, the Administration proposed new taxes in the form of an additional tax on gasoline to replenish the trust fund. This proposal, opposed by the AFL-CIO, met with little response in Congress where the sentiment was to permit a Treasury advance of \$1 billion against anticipated excise revenues.

The issue had not been resolved for the coming fiscal year as this report went to press.

Prolonged indecision on the airport bill and the road financing legislation points up the steady and inspired campaign opposing the use of federal funds to aid in expansion of services throughout the nation. (See Supplemental Report Page 378).

### **Civil Defense**

Last year Public Law 85-606 was enacted to spell out the responsibilities and prerogatives of governments at all levels in the nation's civil defense. For the first time the obligations of federal, state and city governments were clarified under the Civil Defense Act of 1950, as amended.

Prior to 1958, the federal government was slow to acknowledge its function of assuming prime responsibility. Too often, the Congress took the attitude that defense was a local obligation.

Under Public Law 85-606, major changes in the 1950 Civil Defense Act were made, and Davis-Bacon Act provisions on prevailing wage rates for construction work were invoked, with the 8-hour day and the 40-hour week.

As we have in the past, the AFL-CIO consistently supports the purpose of civil defense as a fundamental requirement in emergency, be it a natural disaster or man-made nuclear, conventional,

chemical or biological attack including fallout. Accordingly, we have supported all budgetary requirements and have supported the need for adequate appropriations.

Last year, also, Reorganization Plan No. 1 was proposed to merge the Office of Defense Mobilization and the Federal Civil Defense Administration into the Office of Civil and Defense Mobilization in the executive offices of the President, effective July 1958. The AFL-CIO supported Plan No. 1 which was approved.

This year, the AFL-CIO called for appropriations to implement PL 85-606 and Plan No. 1. The supplemental appropriation requested \$3 million under PL 85-606 and we followed through with support of the regular appropriation, helping to restore \$12 million denied by the House.

In addition, the AFL-CIO has energetically backed legislation for matching funds with the states and their political subdivisions.

Last year, the Congress appropriated \$40,062,000 for civil defense. This year, request was made for an underground facility to be built in Denton, Texas. A House Appropriations subcommittee reported favorably on two such facilities but this was denied by the full committee. The AFL-CIO supported restoration of this program before the Senate committee. In addition, this supplemental bill contained \$12,000,000 for agencies delegated civil defense functions by OCDM. Congressional committees in the past have reversed themselves several times as to the method by which they wished these funds to be requested. Even though OCDM has followed the required procedure, the House still says funds are not needed. (See Supplemental Report Page 378).

### ***Cultural Activities***

A resolution of the AFL-CIO Executive Council in May 1958 pledged labor's support to "proposals for constructive federal participation in the encouragement of cultural activities."

To implement this policy, the AFL-CIO supported the Thompson-Fulbright proposal for the establishment of a National Cultural Center for the Performing Arts as a branch of the Smithsonian Institution. This proposal was enacted by the 85th Congress and plans are now being developed for the financing and construction of the Center.

In 1959 the AFL-CIO called upon the House Education and Labor Committee to approve the Thompson bill calling for the establishment of a National Advisory Commission on the Arts.

### ***D. C. Unemployment Compensation***

The fundamental principle of unemployment insurance is that the benefit should be a fixed proportion of the worker's lost wage. The original intent was to provide all but the highest paid work-

ers a weekly benefit of at least half their own individual lost weekly wage.

In the District this half wage principle is recognized by a benefit formula providing a weekly benefit amount of  $\frac{1}{23}$  of the claimant's high quarter earnings, subject to a specified maximum amount. The problem is that the low maximum amount prevents the half pay principle from operating except for a minority of claimants.

The average weekly benefit level in the District in 1958 was only \$26, about \$5 lower than the national average. The main reason for this low average benefit is the very restrictive maximum benefit amount which allows no beneficiary more than \$30. Only four states have maximum benefit amounts lower than \$30. Benefit levels in the District have not been increased since 1954.

On Aug. 1, 1958, the Senate passed S 3493, a bill relating to computing District of Columbia unemployment compensation. The bill would have increased unemployment compensation benefits in the District of Columbia from a maximum of \$30 per week to \$48 and would have extended benefits to 34 weeks instead of the present 26 weeks. The bill would have further amended the existing law to include employers of one or more employees, together with several other improvements.

Hearings were held by the House District Committee on S 3493 and other related bills in the closing days of the session but no final action was taken.

When the 86th Congress convened, Rep. Roy Wier immediately introduced HR 1378, a bill to raise the maximum benefit amount so that half of the lost wage principle will apply to the great majority of laid-off workers in the District and to extend benefits for 39 weeks instead of the present 26. The AFL-CIO has testified in support of HR 1378.

### **Educational TV**

During both the 85th and the 86th Congresses, the Senate passed a bill to support the development of educational TV. The AFL-CIO supported these bills, which would provide modest grants to the states to assist in the acquisition and installation of transmission apparatus.

The Senate-passed bill was before the House Interstate and Foreign Commerce Committee as this report went to press.

### **Equal Pay Bills**

AFL-CIO efforts to bring about federal legislation requiring equal pay for women workers were renewed this year following inaction in Congress in 1958.

For several years, bills have been reintroduced in succeeding Congresses to meet this need, but no action has been taken.

## ***Equal Rights Amendment***

The so-called "Equal Rights Amendment" was again reported out favorably by the Senate Judiciary Committee. As it has done in previous Congresses, the AFL-CIO urged that the amendment in the form reported out be rejected by the Congress.

Labor's objection to this attractive-sounding proposal stemmed from the conviction that it would jeopardize all the state and federal laws which now afford protection to women against sub-standard wages, hours and working conditions. A number of members of the present Congress who are otherwise sympathetic to labor and social legislation have given their endorsement to the proposal, but it is fairly certain that the necessary vote cannot be obtained.

In statements to members of the 86th Congress, the AFL-CIO Department of Legislation has again indicated its support for what has come to be known as the Hayden "rider." This rider would make it clear that the amendment "shall not be construed to impair any rights, benefits or exemptions now or hereafter conferred by law upon persons of the female sex."

## ***Home Rule for District of Columbia***

Although statehood was granted to Alaska and Hawaii in the last two years, the District of Columbia continues to be without self-government. The AFL-CIO has supported "home rule" for residents of the nation's capital. Opposition has come primarily from southern members of the House District Committee who fear that the large Negro population of the District may result in Negro domination of the local government. Thus, the issue of home rule has become as much a civil rights issue as a political rights issue.

The AFL-CIO presented testimony to the Senate District Committee in favor of the Morse bill which would grant full self-government, including the election of a mayor. Support also was given to a partial program of the Administration in the event the full program could not be enacted. This would permit the election of a local assembly, with the President appointing a governor and secretary—the territorial approach.

On June 30, 1959, the Senate committee reported out the Morse bill. The Senate passed it a short time later. A discharge petition drive was initiated in the House after the District Committee slowed hearings on the measure.

## ***Juvenile Delinquency***

Subcommittees of the House and Senate Labor committees simultaneously considered legislation in this field. The principal points include assistance for research and demonstration

projects, \$5 million authorization yearly for five years to promote such projects to discover, develop and evaluate and demonstrate the effectiveness of techniques and practices for the prevention, diminution, and control of juvenile delinquency.

The AFL-CIO is actively supporting the purposes of the legislation. (See Supplemental Report Page 379).

### **Pay TV**

In line with the policy adopted by the 1957 AFL-CIO convention the Department of Legislation appeared before the House Interstate and Foreign Commerce Committee and opposed the granting of licenses for pay TV. Opposition to such licenses was so great that the FCC postponed action on applications thus temporarily resolving the issue in favor of free TV.

### ***Statehood for Alaska, Hawaii***

Extension of statehood to two former territories, Alaska and Hawaii, adds two new stars to the flag. Alaska entered the Union last year under Public Law 85-508, Hawaii this year under Public Law 86-3.

The AFL-CIO has worked consistently for statehood legislation in those instances where the people show such desire and ability to assume the responsibilities.

### ***States Rights-HR 3***

A coalition of House Republicans and Dixiecrats declared open hunting season on the Supreme Court when they passed on June 24, 1959, the mischievous Smith bill, HR 3, by a vote of 225 to 192. A similar bill carrying the same number cleared the House during the last session of the 85th Congress by a vote of 240 to 155 but the Senate recommitted the bill by a vote of 41 to 40.

The aim of the bill's advocates is to rebuke the Supreme Court for its decisions on segregation and civil liberties. But the effect of this law would be more far-reaching. By voiding the doctrine of congressional pre-emption retroactively, it would permit competitive state regulations in areas such as transportation and labor-management relations. It would open the door to endless litigation on matters already long decided, and it would strip the Supreme Court of much of its power to interpret the intent of Congress when that intent is not expressly stated.

The Internal Security Subcommittee of the Senate Judiciary Committee held hearings on S 3, a bill similar to HR 3, but had taken no action on the measure as this report went to press.

## **State Legislation**



Regular sessions of state legislatures were held in only 17 states in 1958. They were: Arizona, California, Colorado, Georgia, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, Rhode Island, South Carolina, Virginia and West Virginia. Few significant changes were made in state labor laws during 1958.

All regular state legislatures met in 1959, with the exception of Virginia, Kentucky and Mississippi. Special sessions also were called in some of the states. Some state legislatures were still in session as this report went to press.

### ***Restrictive Labor Legislation***

Following the repudiation of "right-to-work" proposals in the 1958 elections, the enemies of labor in state legislatures switched to a new and equally misleading catch phrase—"labor reform."

This verbal smokescreen was commonly used to describe bills which were blatantly punitive, designed to harass unions in the courts, curb legitimate picketing, hamstring labor's political activities and legislate one standard of morality for unions without comparable requirements for employers.

Adding to the confusion were several bills which, while not objectionable in themselves, would have set a pattern for 50 different state statutes in an area which labor has maintained should be covered by a single federal law.

While most—but not all—of the openly anti-labor bills were defeated, the effort necessary to expose and defeat the proposals necessarily was subtracted from the drive for enactment of needed social legislation.

Typical of the restrictive type of "reform" legislation is a pair of bills which became law in New Mexico.

Unions there can now be sued for both "actual damages" and "punitive or exemplary damages" by anyone claiming to have suffered in his "employment, business or property" as a result of "mass picketing." One provision in effect repeals New Mexico's

anti-injunction act. Another provision prohibits most types of organizational picketing.

The legislature also passed a "sue and be sued bill" but struck out a section which would have made individual members liable for fines imposed on a union.

A particularly vicious bill which became law in North Carolina was properly described by the Executive Council as "striking at the very root of our democracy."

It prohibits firemen and policemen in North Carolina from belonging to or assisting any national or international labor union. It permits other public employees to belong to a union only with the consent of the governmental body for which they work—and only if the unions to which they belong do not attempt to bargain with public officials on wages, hours and working conditions.

An ironic provision of the act exempts public employees from the state's "right-to-work" law. This provision was necessary, the legislature was told, in order to permit counties and municipalities to ban union membership for all their employees, not just policemen and firemen.

A new Georgia law permits "unincorporated organizations" to be sued in state courts. A particularly harmful section makes individual members of an organization liable for damages if they "personally participated" in the "transaction" which led to the lawsuit. This, attorneys point out, could be construed to make



Pres. Meany and Vice Pres. Reuther talk with reporters after Capitol Hill meeting on labor legislation.

personally liable members who attend a meeting at which a course of action is voted or persons on a picket line when alleged "violence" took place. This law does not mention unions, but the intent was obvious.

Nebraska banned so-called "secondary boycotts."

Montana enacted a "Ma and Pa" law prohibiting unions from "interfering" with the right of an owner, member of his family or partner from doing "any work" in a retail or amusement establishment.

New York enacted a labor-management disclosure act.

North Dakota applied the double standard by prohibiting ex-convicts from representing unions, but not management, in collective bargaining.

A "reform" bill in Ohio which the state AFL-CIO had opposed as discriminatory, restrictive and unnecessary, was narrowly defeated in the House.

The Arkansas legislature failed to override the veto of a "sue and be sued" bill.

Restrictive legislation failed of enactment in Illinois, Kansas and Texas. A regulatory "disclosure" law was defeated in Florida after it was amended to include management groups and business interests then switched to oppose the bill.

In California, a regulatory bill designed to be effective only until passage of federal legislation in the field was defeated. The state AFL-CIO withdrew its endorsement when parts of the package proposal opposed by business and corporate farm interests were stricken by the legislature.

A moderate regulatory bill passed the Indiana House, was transformed by amendments in the GOP-controlled Senate into a harsh, restrictive measure and died with adjournment of the legislature. Failure of the bill to be called up was the excuse given by Republican leaders in the Senate for rescinding passage of a "right-to-work" repealer.

On the plus side of the ledger, Wisconsin repealed its notorious Catlin Act which had attempted to put political handcuffs on organized labor by prohibiting unions from aiding candidates for state office.

Oregon's anti-picketing law, already punctured by court decisions invalidating its key provisions, was formally repealed.

A financial reporting bill enacted during the 1958 session of the Connecticut legislature was amended in the 1959 session to make it less burdensome to local unions.

### ***State and Local Taxes***

The major issue confronting state legislatures and city administrators in 1959 has been how to meet increasingly critical revenue needs.

In the last two years—as in every postwar year—state and

local taxes and outlays have gone up as the rapid population rise and its continuing concentration in the metropolitan centers have skyrocketed the demand for public services of all kinds.

Most states and localities have made a substantial effort to meet their revenue needs. While total collections amounted to about \$10 billion in 1946, they reached \$30½ billion in 1958, and will probably top \$33 billion this year.

Yet, notwithstanding this phenomenal tax rise plus higher revenue from increased user charges and larger federal grants-in-aid, state and local revenue still lags far behind expenditures. As a consequence, the states and localities—which already are financing about 70 percent of all civilian public services—have been going deeper into debt. Between 1946 and 1958, their indebtedness increased from \$16 billion to over \$57 billion. It will probably exceed \$61 billion by the end of 1959.

Moreover, according to recent studies of the National Bureau of Economic Research, total state and local outlays will approximate \$85 billion by 1970, nearly twice the level of 1957. This projection is based upon an assumption of a higher quality of public service and a population increase of about 25 percent.

Throughout the country the AFL-CIO is actively supporting and participating in the effort to increase state and local revenue and to increase it in a manner which is fair.

Unfortunately, state and local taxes already bear hardest on those least able to pay, and new levies being enacted in 1959 are not remedying the situation.

### ***The Sales Tax Burden***

Last year, 59 percent of all state tax revenue was coming from consumer levies in the form of retail sales taxes—generally applied even to food and clothing—and selective excise taxes—like those imposed on cigarettes and gasoline.

All sales taxes are viciously regressive—they hurt the neediest most. Regardless of a family's size or means, no exemptions are allowed. Moreover, income that is saved escapes the tax entirely. Under most sales tax laws, the purchase of "services"—to which the well-off devote proportionately more of their income—is not taxed at all. Finally, the flat sales tax rate completely ignores the concept of ability to pay.

In contrast to the 59 percent raised by sales taxes, only 17 percent of state tax revenue came from progressive taxes levied against individual income and corporate profits last year. Nonetheless, several states have depended substantially on revenue from income taxes and have withstood every reactionary effort to install a general sales tax.

For example, Oregon raised 57 percent of its tax revenue from income taxes last year; New York, 51 percent, and Wisconsin, 46 percent. In all, 16 states have managed without a general

sales tax. On the other hand, 18 states, including some of the wealthiest, have not introduced an individual income tax, and 12—including Illinois, Ohio, Indiana and Michigan—tax neither the income of individuals nor corporations.

The local property tax, which historically has financed schools and most other public services, is not directly related to ability to pay and it no longer raises sufficient revenue to meet local needs. Thus, more and more municipalities are resorting to local sales and payroll taxes.

Cities in Alabama, Colorado, Kentucky, Missouri and Pennsylvania have already adopted the regressive payroll tax—which must not be confused with a genuine progressive income tax. Under payroll taxes, investment income—dividends and interest, and often rents and capital gains—is not taxed at all and, in all but two cities in Ohio, no exemptions for dependents are allowed. Furthermore, the payroll tax—like the sales tax—imposes a flat tax rate which ignores the concept of ability to pay entirely.

In some states and municipalities, public-minded groups, including the AFL-CIO, have succeeded in forestalling the use of sales and payroll taxes, or have prevented their worsening. In a few states, greater use of income taxes for revenue purposes has been achieved.

Progress is being made in the effort to end “double deductibility”—a tax gimmick under which wealthy individuals and corporations pay practically no state tax at all, while state revenues from income taxes are drastically reduced. This occurs because states that permit double deductibility allow the taxpayer to deduct all federal taxes before computing income to be taxed by the state.

### **More Income Tax Laws Needed**

Some states are increasingly helpful to their localities in a number of useful ways. They are helping to modernize and make more equitable local property tax collection methods; they are helping local governments by sharing state collected taxes; they are assuming responsibility for locally performed services that can be more efficiently handled by the states.

The tremendous increase in state and local revenue required by 1970 should not prove to be an unsupportable burden. A portion of the sum could be raised by increasing the use of progressive taxes levied on individual income and corporate profits. A federal tax credit on income taxes paid to a state similar to the federal tax credit for estate taxes has been proposed to encourage the greater use of income taxes by all states, and deserves serious consideration.

A further increase in federal grants-in-aid will be required in order to assist the poorer states to bring essential public services up to national minimum standards. Additional billions

in state and local tax revenue will be raised automatically if national income grows continuously and substantially.

Because debate about federal taxing and spending has dominated the scene, most Americans have failed to closely follow state and local revenue problems. The AFL-CIO has played a valuable role by increasing its activity in the effort to secure sufficient state and local revenue, fairly levied, to provide adequate public services.

### ***Equal Pay for Women***

A bill introduced in the 1959 Illinois legislature to eliminate discriminatory pay for women doing identical work passed the House by a vote of 115-26, but did not get to the Senate floor for a vote.

Legislation to abolish discriminatory wage rates based on sex was introduced in the 1959 Indiana legislature. The bill passed the House by a vote of 51-33 but died in Senate committee.

Ohio, Hawaii and Wyoming passed equal pay laws in the 1959 legislative sessions, the first new laws on equal pay since 1955. The number of states with equal pay laws now stands at 20.

Forty-three states and the District of Columbia have laws which set a maximum on the number of hours women may work in a day or a week—three limit the hours for men also. Alaska, Hawaii, and Puerto Rico do not limit employment hours but do require premium pay for overtime.

These laws have remained virtually unchanged for years. The most usual requirement is for an 8-hour day and a 48-hour week but 15 states permit 9 or more hours a day in conjunction with unlimited weekly hours or with workweeks ranging from 54 to 60 hours.

In 1959, two states improved their laws—Wyoming by requiring time and one-half for work beyond 8 hours when the 8-hour limit is suspended in "emergencies," and Washington by requiring time and one-half pay after 40 hours in a week. Washington prohibits work by women beyond 8 hours in a day, but places no limit on weekly hours. The Washington overtime provisions, however are now under attack in the courts.

Virginia in 1958 relaxed its 9-hour day law to permit additional hours of work provided the worker has an unbroken rest period of 10 hours. The work week limit of 48 hours is retained.

No additional states enacted legislation to provide meal periods, rest periods, or night-work regulations, although Kentucky enacted more comprehensive rest period provisions than had previously been in effect. Maine on the other hand reduced its 1-hour lunch requirement after 6 hours' work to 30 minutes after  $6\frac{1}{2}$  hours' work.

New Jersey eased restrictions on night-work to permit adult women, upon special application, to work at night provided

working conditions and transport arrangements are sufficient to protect health and welfare. Indiana repealed its night-work law altogether—it had been inoperative since 1943.

### **Minimum Wage Laws**

In the 18-month period from the end of 1957 through June 1959, six states acted on minimum wage legislation. With strong labor backing, North Carolina cracked the solid South by passing a state minimum wage law for the first time. The new law, setting a 75-cent minimum, goes into effect July 1, 1960.

Maine replaced its previously inoperative wage order system with a new statute providing a \$1.00 minimum.

Washington also enacted a \$1.00 statutory minimum wage replacing its 65-cent wage orders. Vermont increased its statutory 75-cent rate to \$1.00.

Alaska went to \$1.50 from \$1.25 while Massachusetts made its general \$1.00 rate mandatory in all manufacturing occupations, and forbade its wage boards to set rates in other occupations below 90 cents.

Eleven states made improvements in rates set by wage order for particular occupations.

As of July 1959, 35 jurisdictions had minimum wage statutes at least technically on their books, but of these, four are inoperative, and two have rates so low as to be meaningless—\$1.25 a day in Arkansas and \$12-\$15 a week in South Dakota—leaving 29 jurisdictions out of 52 which have some kind of law.

Fifteen jurisdictions now provide statutory or wage order minimums of \$1.00 or more in at least some occupations, and in 14, minimum rates now apply to men as well as to women and children.

On the whole the record is hardly an impressive one. Coverage and rates under state laws generally remain pitifully inadequate, and in some instances wage orders have not been changed in years. Arizona's 47-cent rate for laundry workers, for example, dates from 1948, Kentucky's general 50-cent order dates from 1947, and New Jersey has required no more than 31 cents an hour for full-time maids in beauty parlors since 1943.

### **Older Workers Legislation**

In 1958, New York amended its Fair Employment Practices Act to prohibit discrimination on account of age, as well as on account of race, creed, color or national origin.

In Michigan, an interim committee of the Senate was created in 1958 to investigate discrimination in the employment of persons over 40 years of age.

In Maryland, a special joint legislative committee was authorized to study problems of older persons, including employment problems.

In New Jersey, the Division of Aging and the Department of

Health was directed to make a special study of employment opportunities for persons over 40 years of age and employment practices which discriminate against such persons.

Legislation introduced in the 1959 Kansas legislature making it unlawful for any employer to discriminate against any person on the basis of advanced age was killed in committee.

Discrimination in employment because of age, between 40 and 65 years, was banned in Connecticut by the 1959 legislature. The law will be administered by the Civil Rights Commission and provides that the commission itself may initiate complaints. An effort to attach a "right-to-work" amendment during debate on this bill in the House was defeated 197-46.

During the 1959 session of the Illinois legislature, a bill to secure equality of employment for all persons regardless of age and to create an Illinois Equality of Employment Opportunity for the Aged Commission was voted out unfavorably by committee by an 8 to 5 vote.

### ***Provisions for Migratory Workers***

In 1958, Maryland and Rhode Island joined the growing number of states which have made provision for committees to study problems of migrant farm workers and promote improved working and living conditions for such workers. The members of the Maryland committee are to be appointed by the governor to represent various government agencies, church, grower and labor groups. The committee was directed to submit an annual report of its activities to the governor.

The Rhode Island special commission instituted in 1958 consists of two members each from the Senate and the House and five appointed by the governor. It was directed to submit a report to the governor and the legislature summarizing its findings on the wages and working conditions of migrants, the accommodations provided them and the impact of the employment of migrant workers on the economy of the state.

The New York Joint Legislative Committee on Migrant Labor created in 1952 was continued for another year during the 1958 session. The New York laws for the protection of migrant workers were strengthened in several respects. Farm labor contractors and crew leaders were required to keep certain payroll records and to give each worker with his pay a written statement showing wages, hours and withholdings. Permits must be obtained from the state industrial commissioner to operate commissaries at farm labor camps. Authority was expressly provided in the public health law for the provision already incorporated in the sanitary code that required permits to operate farm labor camps.

Growers who must obtain a certificate of registration to bring migrant farm workers into the state were made subject to provisions concerning revocation of registration, formerly applica-

ble only to farm labor contractors and crew leaders. State aid for summer schools for migrant children, formerly approved on a year-to-year basis, was incorporated into the permanent school law, the appropriation remaining at the same level as for the past two years.

### **Child Labor**

A New York amendment to the child labor laws, adopted in 1958, specifically added baby sitting to the provision setting a minimum age of 14 for non-factory work outside school hours. It provided also that an employment certificate should not be required for children 14 or over engaged in baby sitting.

In Virginia, during the 1958 session, the minimum age for girls working in most restaurants was lowered from 18 to 16. Another amendment permitted minors between 14 and 16 years of age to work until 10 p.m. rather than 6 p.m. if there is no school the following day.

A Massachusetts amendment adopted in 1958 reduced from 45 to 30 minutes the length of the meal period required for minors in factories and other specified establishments.

A 1958 Kentucky law, on the other hand, provided that no employer shall require any woman or girl to work for more than four hours without a rest period of at least 10 minutes.

The Virginia Advisory Legislative Council was directed in 1958 to study the child labor law and recommend revisions, and a New Jersey study committee created in 1955 was reconstituted in 1958.

In 1958, a Georgia act provided that the compulsory school attendance law shall not apply in any public school district or system in which the operation of the public schools is discontinued by public officers of the state.

A Texas law enacted in December 1957, and amended in a 1958 special session, provided for closing the schools to prevent violence or military occupation. It also provided that the compulsory attendance laws would not apply when a school is closed. In recent years, Alabama, Arkansas, Louisiana, North Carolina and Virginia have enacted laws which waived application of school attendance requirements at integrated schools. Mississippi and South Carolina have repealed their compulsory school attendance laws.

During the 1959 session of the Kansas legislature, a bill to lower the age limit for employment of minors from 16 to 14 years of age and to repeal the portion of the statute providing minors under 16 years of age cannot be employed before 7:00 a.m. or after 6:00 p.m. passed the Senate but died in the House.

Two bills introduced in the Illinois legislature in 1959 dealing with child labor laws were tabled.

Maine, for the first time, established a prohibition against nightwork by children under 16, but at the same time lowered

from 15 to 14 the age at which children may work in eating places, mercantile establishments and sporting or overnight camps.

In New Mexico, children age 12 and over may sell newspapers outside school hours without an employment certificate and without regard to hours and nightwork regulations set by the child labor law.

### ***Political Campaign Legislation***

Repeal of the Catlin Act barring unions from contributing to political campaigns was approved by the Wisconsin legislature, in the Assembly by a vote of 70-20 and in the Senate by a voice vote. Gov. Gaylord Nelson signed the repealer.

During the 1959 legislative session of the Kansas legislature, a bill providing that no labor organization shall pay or contribute in order to aid, promote or prevent the nomination or election of any person to public office, or to aid, promote or antagonize the interest of any political party, or to influence or affect the vote on any questions submitted to the voters, or to furnish money and transportation to voters to any voting place in any primary, general or other election shall be guilty of a misdemeanor and punished by a fine of not less than \$50 nor more than \$500 was killed in the Senate Election Committee.

### ***Licensing Legislation***

By a 7-2 decision, the U. S. Supreme Court in 1958 ruled unconstitutional an ordinance adopted by the city of Baxley, Ga., which imposed a \$2,000 license fee on union organizers and called for payment of \$500 for each person organized.

In 1959, the town of Daleville, Ala., set a \$100 license fee for each labor union and \$50 for each organizer. The union argued the case before the council and obtained a legal ruling that the licenses were unconstitutional. The ordinance was revoked and the town refunded the money.

### ***Anti-Discrimination Laws***

Since 1957, two more states passed enforceable fair employment practice laws bringing the number of states with such laws enforceable by the courts to 16.

In California, Gov. Edmund G. Brown signed into law a bill which had passed both houses with strong labor support. The law, to take effect Sept. 19, 1959, exempts farm laborers living on the farm where they work. Other limiting or crippling provisions were defeated by the legislature.

In Ohio, Gov. Michael V. DiSalle signed a labor-supported bill into law, making Ohio the 16th state with an enforceable fair employment practice law.

Three states have enacted legislation making discrimination

in some area of private housing illegal. This makes a total of eight states that have civil rights legislation in the area of public or private housing. These eight are New York, New Jersey, Connecticut, Rhode Island, Massachusetts, Oregon, Washington, and Colorado.

Prior to 1959 state laws against discrimination in housing have been limited to the public or publicly assisted housing, including housing with FHA and VA insured mortgages. However, Colorado and Connecticut have now enacted legislation banning discrimination in all housing.

In Colorado, Gov. Stephen McNichols signed the first state law banning discrimination in all housing on April 10, 1959.

Connecticut extended its ban on discrimination in publicly assisted housing to all housing in the 1959 session.

In a separate action in Connecticut, the state Civil Rights Commission was vested with the power to initiate complaints in cases involving public accommodations.

In Massachusetts, a law banning discrimination in private multiple dwellings and in developments of 10 or more, one or two family units, was signed into law by Gov. Foster Furcolo making Massachusetts the second state to ban discrimination in some aspect of private housing.

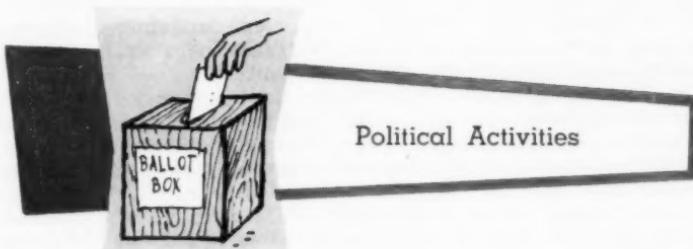
In addition, two major cities—New York and Pittsburgh—enacted ordinances banning discrimination in private as well as public and publicly assisted housing.

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***'Right-to-Work' Laws***  
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## Political Activities

Events of the past two years have reaffirmed our conviction that political education is an indispensable function of the American trade union movement. It is heartening to report that in this field of activity much progress has been made.

In reporting progress two yardsticks are used. The first, and most important, is the level of interest and activity within the trade union family in the political sphere.

Since the last convention of the AFL-CIO in 1957 additional thousands of trade unionists have been engaged in political activity at all levels. Political education has been the center of attention at hundreds of special schools and institutes. In virtually every state a full-time officer is concerned solely with political action and in nearly half of the states a full-time woman is employed in order to assist in the mobilization of women's activities.

The second yardstick consists of the results of elections in which the labor movement has been actively engaged. In applying this measurement it should be noted that support is accorded candidates who best represent the philosophy of the labor movement, with secondary consideration given to their prospects of victory. We are concerned with the election to public office of men and women who are motivated by a genuine desire for public service and who are dedicated to the public welfare rather than special interest welfare. We are not interested in compiling a list of winners.

### **Southern Primaries 1958**

The first general test of COPE following the 1956 presidential election came in the southern primaries of 1958. These primaries come early in the year and are virtually conclusive as to the results of the general election. They, therefore, command first attention.

Three contests of major significance took place in the south

early in 1958. These were the senatorial contests in Florida, Texas and Tennessee. COPE was actively engaged in all of them. In two of the three contests supported candidates achieved election. In the general election in Virginia there was a development of significance in the senatorial contest.

In Florida, former Sen. Claude Pepper ran against Sen. Spessard Holland. Because of his proved record and because of his known position on public questions of importance, Pepper received the whole-hearted and enthusiastic support of the labor movement of Florida. In those areas of the state in which there was substantial union membership, Pepper received a majority of the vote. In other areas he was unable to achieve the necessary majority and he was defeated though by a narrower margin than had been predicted.

In Tennessee, Sen. Albert Gore faced stiff opposition from former governor Prentice Cooper who sought to ride into office on inflamed feelings over the racial issue. The campaign was a bitter one and raged across the state. Gore, who was supported by the Tennessee labor movement, won the election with 59 percent of the total vote after finally taking a forthright stand on the major issue at stake. Also involved was the gubernatorial contest in which four of the eight candidates were recommended by the Tennessee labor movement. One of the four was elected.

In Texas, the primary involved Sen. Ralph Yarborough's contest for a full term after having been elected in a special election in 1957 to fill the unexpired term of Sen. Price Daniel who had resigned. Yarborough had opposition from William Blakley, a wealthy industrialist backed by the conservative wing of his party. Yarborough, backed by the Texas labor movement, won with 58.7 percent of the vote. The gubernatorial race was of interest because of the candidacy of Henry Gonzalez, a state senator, who was the first Texan of Mexican descent to run for high office in the state. Gonzalez, though defeated, received over 300,000 votes a large number of which came from the non-Mexican community.

In the fifth congressional district of Texas (Dallas) attempts to secure liberal representation had been frustrated for several elections by the practice of Republicans, with no primary contest of their own, of voting in the Democratic primary to insure the nomination of a conservative candidate. In 1958, therefore, Gordon Cantrell, a local Communications Workers of America president, filed for Congress in the Republican primary as a "Stevenson Republican." Although Cantrell lost, the contest kept party voters within their respective primaries.

In Virginia, Sen. Harry Byrd, an extreme conservative, early in the campaign announced he would not run for re-election. A fight over his successor within the heretofore powerful Byrd machine began to develop which threatened its continued existence. Byrd thereupon reconsidered and consented to a draft.

A politically unknown woman doctor, Louise Wenzel, filed as an independent protest candidate and despite the absence of any funds or any campaign organization received over 100,000 votes, or about 25 percent of the votes cast.

In other southern primaries in 1958 a COPE-supported candidate was defeated in a run-off election for governor of Alabama while another narrowly missed election to Congress in the second congressional district; two congressional candidates in Arkansas with the help of labor successfully defeated anti-labor challengers though one was later defeated in the general election through trickery; an active race was run by a labor-supported candidate for Congress in Mississippi; in North Carolina a foreign-born shoe manufacturer, actively supported by the workers in his plants, ran a strong race for Congress; in South Carolina liberal former Rep. Hugo Sims was defeated in a try for lieutenant governor.

In consequence, no liberal gains were made in the southern elections in 1958 and, at best, no ground was lost. In view of the tumultuous nature of events in this area during the past two years perhaps this may be considered an achievement but no progress will be made with this kind of achievement.

### The South's Political Potential

Politically the southern states constitute a challenge and an opportunity to the American labor movement. Because of their particular role in American political history it is a challenge that must be met before meaningful progress can be made toward the election of a liberal Congress. This is an area which is the mainstay of economic conservatism, virtually the only remaining area of the country in which the old-fashioned weapons of anti-unionism — violence, corruption of the law-enforcement bodies, use of state troops to protect strike-breakers, intimidation, exploitation of racial feelings, coercion, and economic pressure on the community—are in every day use. It is an area with less than 24 percent of the nation's population in which fewer than 30 percent of the population habitually votes. Yet it is an area whose representatives dominate the national Congress by virtue of control of vital chairmanships and the processes of both major political parties.

It is also an area which is potentially the most liberal in the country as it has from time to time indicated. Industrialization is proceeding at a rapid rate and new political patterns are emerging. The problem is one of providing the people of the South with representation to supplant the representation which has thus far been granted only to the favored few.

The nation cannot long afford the obstruction to progress that is represented by the Dixiecrat block in the national House of Representatives and Senate. The spectacle of a few men, representing a handful of voters, blocking the will of 170,000,000

people on such vital matters as housing and education is not one that fills Americans with pride.

The American labor movement intends to do its part in meeting this challenge to the nation. It intends to participate even more fully than before in the primaries of 1960, in the effort to secure participation by more people in the elections, in the effort to break the hold of unprincipled political machines in our national life, in the effort to restore to the South the dignity and honor and devotion to democracy that constitute its splendid heritage.

### **General Elections 1958**

The congressional elections of 1958 took place against a background of unemployment and economic distress which reached its peak in the early summer of 1958. It was the dominant factor in virtually every election and in some form influenced the voting in every state.

An indication of the role it played may be gained from the fact that of the 48 congressional districts in which the incumbent party was defeated 23 were districts which contained areas designated by the Department of Labor as "substantial labor surplus" areas. In 12 of the 13 states which switched parties in their senatorial elections there were areas of "substantial labor surplus." Whereas in 1956 most of the liberal gains took place west of the Mississippi and in the rural areas, in the 1958 elections the gains took place in the industrialized portion of the country—in the East Central, Middle Atlantic and New England states, with sharp inroads in the West Central Plains states.

Nor was the economic distress confined to the industrial states, as voters in Nebraska and South Dakota made plain. Both states unexpectedly chose Democratic governors despite long Republican tradition. The choice was ascribed to the farmers' dissatisfaction with their economic status.

#### **Open Shop Issue Key Factor**

An additional factor of great importance was the campaign for compulsory open shop laws waged in six states and described in detail elsewhere in this report (see section on Campaign Against "Right-to-Work" Laws). This frontal assault upon the trade union movement in California, Ohio, Washington, Idaho, Colorado and Kansas aroused trade union membership and stirred trade union activity as few issues have done in recent years. In California and Ohio, in particular, it had an important if not the decisive, effect on the outcome of the senatorial and gubernatorial elections.

The fight against the compulsory open shop laws was reinforced by the general issue of economic distress to the extent that in the minds of many, persons responsible for the policies which led to the economic reversal were the same as those who were conducting the fight against the trade union movement.

In those states in which such laws were an issue on the ballot



COPE get-out-the-vote drive in Alaska helped insure election of liberal candidates in 49th state's first election.

COPE rendered every assistance in the campaign. In other states the fact that such a fight was on in major industrial states in the nation was not unnoticed and it was a factor in the outcome.

In general, the vote in the 1958 congressional elections was proportionately somewhat higher than in previous congressional election years. More than 46 million votes were cast representing 44 percent of the potential vote—the vote, that is, that could have been cast by all citizens over 21 years old. In 1954, 42.5 percent of the potential vote was cast; in 1950, 41.7 percent; in 1946, 37.4 percent. This low figure is accounted for, principally, by non-voting in the South which is particularly prevalent in a non-presidential general election.

This increase in the size of the vote, however, was not great enough to account for the difference between liberal losses in 1946 and 1950 and liberal gains in 1954 and 1958. A new pattern of voting behavior is now emerging with regard to party wins and losses in off-year elections.

During 20 years of Democratic administrations, a regular pattern was established of Democratic gains in presidential years and Republican gains in off-year elections. This pattern was reversed in 1952 with the election of a Republican president. Democrats not only increased their membership in Congress in 1954, and made enormous gains in 1958, but also increased their margin of control in 1956, the year of Eisenhower's re-election to the presidency. This was the first time in the history of the

modern political parties that a president of one party was elected while the other party held the control of both houses of Congress.

The records of labor indorsements prior to merger are incomplete, but all available information points to the fact that more labor-backed candidates were elected to office in 1958 than in any previous year since 1948.

State COPEs endorsed 30 candidates for the Senate; 23 won, representing 77 percent of those endorsed.

Twenty-three candidates for governor were endorsed. Seventeen, 74 percent of those endorsed, were successful.

State and district COPEs endorsed 294 candidates for the House of Representatives. Of these, 182, or 62 percent were elected.

Records of COPE endorsements on the state legislation level are incomplete, but the national office has information showing that local COPEs were more active than ever before in these races. These elections were of particular importance in 1958 because of the compulsory open shop issue in many states and because of redistricting which will take place after 1960. In many states, state senators elected in 1958 will hold office for four years.

Democrats made gains in one or both houses of 43 state legislatures and now control at least one chamber in all but seven states (Iowa, Kansas, Maine, New Hampshire, New York, North Dakota and Vermont).

A study of the returns from wards and precincts in which there is a concentration of trade union membership shows that the vote for liberal candidates held steady from 1956 while the vote for conservative candidates dropped sharply in most cities. This was particularly true in Denver, Hartford, Detroit, Boston, St. Louis and Milwaukee.

It should be particularly stressed that where there were exceptions to the rule there were particular circumstances, disunity being the chief of them.

#### **Strength Lowest in Unmerged States**

The labor movement's political strength was lowest in those states in which merger, at the time of the election, had not yet been achieved and in which unified effort, therefore, could not be exerted effectively. Defeats suffered in New York and Pennsylvania might have been mitigated if not avoided by a unified labor movement. Additional congressional seats in New Jersey and Massachusetts might have been won with unified effort.

The exception was in the state of California where a compulsory open shop fight unified the campaigns conducted by the state labor groups.

In Oregon, Rhode Island, New York and Pennsylvania disunity within the Democratic Party contributed to the defeat of their candidates, while in California and Indiana the Republican

Party suffered internal discord and the consequent defeat of their candidates.

We must also note the fact that the loyalty of the Negro groups throughout the country to liberal candidates remained unimpaired throughout the 1958 election and that in every state in which there was a compulsory open shop fight Negro support was given to the labor forces. In Ohio and California this support was of tremendous assistance.

The financial effort of COPE in the 1958 campaign was nearly double the effort of 1956 despite the fact that 1956 was a presidential election year.

### 1959 Elections

In 1959 there have been, or will be held, elections in 33 major cities, approximately 640 cities of 10,000 population or more in 44 states, and state elections in 10 states. COPE has participated, or will participate, in all that it can.

One of the major contests in 1959 was the state primary contest in Kentucky in which voters selected candidates for the gubernatorial and other state offices which are to be filled Nov. 3. In the May Democratic primary Judge Bert T. Combs defeated Harry Lee Waterfield, the candidate supported by Gov. A. B. (Happy) Chandler, with 52.3 percent of the total vote. There

### POTENTIAL VOTE AND VOTE CAST IN RECENT ELECTIONS

YEAR	POTENTIAL VOTE	ACTUAL VOTE	PERCENT OF POTENTIAL VOTING	COMPOSITION OF CONGRESS*
1946	92,018,000	34,398,000	37.4	HOUSE 188D 246 R  SENATE 45 D 51 R
1950	97,023,000	40,430,000	41.7	HOUSE 235 D 159 R  SENATE 49 D 47 R
1954	100,223,000	42,580,000	42.5	HOUSE 232 D 203 R  SENATE 48 D 47 R
1958	104,582,000	45,719,000	43.7	HOUSE 283 D 153 R  SENATE 64 D 34 R

\* May not total 436 House members or 98 Senators because of the presence of independent or minor party members.

was no COPE endorsement in this campaign, the endorsement convention failing to produce the necessary two-thirds vote for action. Combs, however, received support from a majority of unions in the state and polled more than 60 percent in industrial areas. Wilson Wyatt, who earlier had announced for governor, ran instead for lieutenant governor, and emerged a major political figure in the state, out-distancing the nearest of six opponents by 136,000 votes.

In statewide elections in Michigan, held in the spring, labor-supported forces won three additional state posts, re-elected all three incumbents and won five of six spots on the newly-created Wayne State University Board of Governors. The result, combined with previous statewide election victories, gave the liberal forces control of all top state offices.

Hawaii's first election since achieving statehood saw the formation of an active AFL-CIO COPE. Candidates for governor, lieutenant-governor, the two U.S. Senate seats and the House of Representatives were endorsed. Four of the five endorsed candidates were elected together with a number of labor-supported candidates for the state legislature.

Election of the state legislature in Virginia centered around the issue of "massive resistance" to the school integration program with, for the most part, supporters of "massive resistance" being defeated. Of the 12 state senate seats contested, the Virginia COPE endorsed candidates in six races, all of whom won. Thirty-four house seats were contested and of the 19 candidates endorsed by COPE 15 were elected. Local estimates rank the incoming Virginia legislature as the most liberal in recent history.

A tight gubernatorial contest in Mississippi saw COPE activity on a statewide level for the first time. A candidate whose campaign was being managed by the head of the Mississippi Manufacturers Association was forced into a run-off.

### ***COPE Area Conferences***

Early in 1957, COPE officials renewed their series of area conferences around the country at which Director James L. McDevitt and members of his national staff could discuss the political problems facing the trade union movement in each state and possible approaches and solutions. Recognizing that the problems of communication are a two-way street, the 1957 series of conferences inaugurated a new and successful pattern. Conferencees were divided into small discussion groups each of which met with a member of the national staff to discuss common problems. Subjects discussed included the women's activities program, issues and communications, COPE organization, and COPE financing. General sessions were also held at which reports were received from the various groups and general discussion prevailed.

Eight such conferences were held in Boston, New York, Philadelphia, Atlanta, Denver, San Francisco, Chicago and Nashville.

Because of the response to the conferences in 1957, an expanded series of conferences was held in 1958 in which Director McDevitt and members of his staff visited 20 cities. The larger number of cities permitted greater participation by rank-and-file members who were not required to travel the distances necessary in the previous year.

The response was overwhelming, with participation in each instance exceeding expectations by two and three times. Attendance varied, according to the population of the states involved, from 250 to nearly 2,000 with many of the participants declaring that it was their first opportunity to participate directly in labor's political education program. A total in excess of 8,000 attended the meetings.

The 1958 series of conferences followed the 1957 pattern in that conferees spent part of their time in smaller discussion sessions with full opportunity for everyone to participate. Four different types of visual aides were employed at each conference which discussed topics including why labor is in politics, the requirements for effective political action, the position of labor in politics today, and the future of labor in politics. Special side conferences were held with full-time staff employees and with state officials.

The 1958 conferences were held in Huntington, W. Va.; Raleigh, N. C.; Jacksonville, Fla.; Baton Rouge, La.; Memphis, Tenn.; Phoenix, Ariz.; San Diego, Calif.; Salt Lake City, Utah; Cedar Rapids, Iowa; Kansas City, Mo.; South Bend, Ind.; Cleveland, Ohio; Providence, R. I.; Concord, N. H.; Syracuse, N. Y.; Atlantic City, N. J.; Fargo, N. Dak.; Helena, Mont.; Seattle, Wash., and Chicago, Ill.

Invitations to send observers to the conferences were extended by Director McDevitt to the chairmen of the Republican and Democratic National Committees. In many instances representatives of these organizations attended and observed the meetings.

The importance of these conferences, together with the regular field activity of COPE's area directors, Women's Activities directors, and other field personnel, cannot be over-emphasized in the contribution they make not only to the activity in the field but to the information and usefulness of national office personnel. Short of an election campaign nothing has been found by COPE to be so effective as an area conference for the stimulation of interest and activity in political education.

### ***Business Activity in Politics***

The results of the 1958 election together with the increased activity of COPE at all levels, the yardsticks mentioned at the outset, have not gone unchallenged in the field of politics. They have provoked political activity on the part of organized business

that threatens to exceed anything seen since the thirties when business banded together politically in a futile effort to prevent the National Labor Relations Act from becoming effective. Once again the full power of organized business is to be thrown into the battle against liberalism and progress.

The two principal business organizations, the United States Chamber of Commerce and the National Association of Manufacturers, are spearheading the drive for increased business activity in politics with the General Electric Co. the most aggressive single business enterprise engaged in the venture.

Both the Chamber of Commerce and the NAM have established courses of instruction in politics for business men. Both have prepared elaborate kits of materials which are being used on a nation-wide basis in these courses. COPE publications are recommended reading with particular emphasis on COPE's manual "How to Win."

The pattern of activity is purportedly to increase political participation in the "party of your choice." Its consequence was demonstrated recently in an election in a suburb of Syracuse, N. Y. where supervisory officials of the General Electric Co. won nominations for city office on both party tickets.

Other companies actively engaging in the political program of the Chamber of Commerce and the NAM, so far as public announcements are concerned, are the Ford Motor Co., Gulf Oil, American Can Co., Johnson & Johnson, Sears Roebuck, Standard Oil and F. W. Woolworth.

We cannot, as yet, judge the effectiveness of this newly launched program. Business has, of course, been actively engaged in politics since the founding days of the Republic and whether this new campaign represents a fundamentally different approach or is merely a new suit of sheep's wool on a very old wolf, remains for future months to tell.

#### **Use of Tax-Exempt Funds**

The American labor movement will resist with all of its energy and resources any return to the days when economic pressure and coercion were used by management to influence politically the activity of employes. The struggle for political emancipation has been too costly in human effort to permit an easy return to political slavery. The American labor movement will also oppose vigorously the use of corporate funds in an illegal manner in the new political adventures proposed by management. This includes the use of tax exempt funds for political advertising as has already been done by General Electric.

COPE has always scrupulously obeyed the applicable laws pertaining to its participation in politics. It will insist that business do likewise and it is to be hoped the Department of Justice devotes as much time and attention to business in politics as it has to our activities.

## **The Fight for Principle**

As it continues to step up the pace of its political activity the American labor movement faces a lot of problems. They are the problems of maturity rather than problems of adolescence as was the case a few elections ago.

One of the major problems stems from the lack of party responsibility that is the principal characteristic of our political parties. Party labels tell nothing of the candidate's philosophy or proposed course of action and party platforms are a poor guide to prospective performance by a party majority. For too many years the words, "a politician's promise," have been synonymous with deceit and insincerity.

Continuation of this state of affairs can only lead to frustration on the part of voters and either apathy, in good times, or hasty and ill-considered action in times of pressure. Neither state of mind, needless to say, is productive of the best potential of the democratic process.

The best contribution we can make, and which we seek constantly to make, is the development of a sufficiently large and informed body of voters dedicated to principle, rather than party, who will render loyal support to men of principle and bring swift defeat to political opportunists and hucksters.

In setting this goal for ourselves we are not unmindful of the distance between it and reality. But because we are prepared to deal with the political world in which we find ourselves does not mean that we accept its political ethics with good grace. Had we been content merely to adjust ourselves to the conditions around us we would have never won the respect and dedicated loyalty of millions which is today our treasury and our substance.

To develop this kind of political body which will be able to enforce with votes at the ballot box a code of political ethics consistent with the vision of our founding fathers requires no new formulas or techniques. It requires merely more and continued application of the same patient determination that is today evident throughout our movement. It calls for unrelenting effort in the field of voter registration, persistent effort to secure the kind of self-financing represented by the individual contribution to COPE, dogged effort to spread information through whatever means of communication are open to us, and inspired effort to perform the routine jobs of Election Day.

We believe we are capable of this effort and of achieving the goal we have set for ourselves. To believe less and to achieve less would be to squander the priceless legacy we have received from our trade union forefathers. This we shall not do.

## Headquarters Departments



## Department of Civil Rights

During the past two years the department has extended and intensified its services in carrying forward the AFL-CIO drive to eliminate all discrimination because of race, creed or color.

The department provided staff services to the executive officers of the federation, to the AFL-CIO Civil Rights Committee and its Subcommittee on Compliance in dealing with a wide range of problems in the field of civil rights and civil liberties.

In addition, the department rendered assistance to a number of affiliated national and international unions as well as to state and city central bodies in the development and administration of their own civil rights programs.

In all these activities the department has had the cooperation of all staff departments of the AFL-CIO. Periodic staff group meetings with liaison officers designated by other staff departments to deal with the aspects of civil rights of special concern to each have proved especially helpful in mobilizing the resources of the entire staff in pressing the AFL-CIO's civil rights drive.

### Publications Demand Widespread

Civil rights publications developed by the department went through repeated printings in response to widespread demand not only from within the labor movement itself, but also from educational institutions, libraries and various segments of the community.

Among the additions made to the AFL-CIO's civil rights shelf of pamphlets during this period was "The Civil Rights Law: What It Is and What It Does"—a popular explanation of the Civil Rights Act of 1957. This publication was used as a practical tool to help enforce the citizens' right to vote, regardless of race, creed or color, by distribution during registration periods in particular states, as a part of the AFL-CIO "register-and-vote" campaign.

Another pamphlet in this group is "Labor Lifts the Bar to Opportunity," describing the civil rights program of the AFL-CIO. Another timely publication, dealing with problems of discrimination in an economic recession, is "Justice When It Counts Most," brought out in cooperation with the Industrial Union Department of the AFL-CIO.

The staff of the department is also servicing the program of regional consultations with AFL-CIO representatives. This was begun with the meeting of the AFL-CIO Southern Advisory Committee on Civil Rights held in Louisville on June 13, 1959.

In addition, the department's staff is servicing a program of local community surveys to determine the progress achieved in removing discrimination in each area and to formulate a locality program to assure progress toward the AFL-CIO's civil rights goal.

The staff of the Department of Civil Rights consists of Boris Shishkin, director; Theodore E. Brown and Donald Slaiman, assistant directors.

## Community Service Activities

The AFL-CIO through its community services department has stimulated labor participation in community affairs and developed a better understanding of the role the trade union member plays as an active citizen of his community.

### Field Work

AFL-CIO Community Service programs were promoted and implemented in hundreds of communities by community services committees of state and local AFL-CIO central labor bodies, some of which have community services directors, including West Virginia, Pennsylvania, Michigan, Wisconsin, Illinois and Indiana.

Great emphasis was placed on these programs and activities by many union people working on the staffs of local united funds, community chests and councils of social agencies. During the past two years 20 cities created such positions and appointed such labor staff representatives.

### National Agencies

The community services department has continued to work closely with many national voluntary agencies, including United Community Funds and Councils of America, the American National Red Cross, USO, The National Social Welfare Assembly, The National Council on Social Work Education, The National Information Bureau, The National Publicity Council, The National Conference on Social Welfare, The International Confer-

ence on Social Work and many others. CSA established special relationships with the Red Cross, UCFCA and USO.

Five labor liaison representatives have been approved for appointments to the staff of the Red Cross in the national headquarters and in its four area offices in Alexandria, St. Louis, Atlanta and San Francisco. Seven labor liaison representatives are working with United Community Funds and Councils and one with USO, all in New York.

A major function of these representatives is to help develop closer and more harmonious relationships between labor and all public and voluntary community health and welfare agencies and to help provide essential social services to all citizens who need them regardless of the cause of their need.

They perform on a day-to-day basis, working with people in need of medical care, hospital service, family counseling, child welfare, legal aid, mental health, recreation, housing, food, clothing, etc. They implement such CSA continuing programs and projects as union counseling, disaster relief, strike assistance, family counseling, mental health, alcoholism, blood banks.

#### **National Advisory Council**

Technical matters and policy statements relating to CSA work have been reviewed often with the National Advisory Council to the AFL-CIO Community Services Committee. This council of distinguished leaders in the field of health and welfare was headed until his recent death by Dean Kenneth Johnson of Columbia University's New York School of Social Work in whose honor the AFL-CIO Executive Council voted a contribution for an appropriate memorial.

The chairmanship of this council was filled recently by the election of Robert E. Bondy, director of the National Social Welfare Assembly. The council, which has met five times during the past two years, gave invaluable advice to the AFL-CIO Community Services Committee on such matters as labor's role in rehabilitation, blood banking, health education and labor's responsibility in the field of welfare personnel.

#### **Conferences and Institutes**

In the first six months of 1959, CSA staff representatives visited 215 cities. This attention to program implementation in the field, to trouble-shooting, to encouraging the appointment of new CSA personnel in the field, to organizing services and machinery to develop services, to speech making—indicates the emphasis CSA has given to training institutes, workshops and conferences for both full time staff and volunteer lay leaders in both trade unions and agencies.

This year, as in 1958, CSA organized seven regional training schools for full-time staff in cooperation with Pennsylvania State University, Loyola of the South, Cornell University, Michigan State University, The University of Michigan, University of Con-

necticut, University of California at Los Angeles, and the University of California at Berkeley.

The national AFL-CIO conferences on community services were held in Washington in 1958 and in Chicago in 1959—with the emphasis shifting now to reach more community services leaders of international unions and state and local central labor bodies. During the past two years, CSA has participated literally in hundreds of conventions, conferences, institutes and workshops sponsored by public and private agencies, medical and hospital groups, health organizations, welfare bodies, church groups, employer organizations, service clubs, labor unions, etc.

#### Fund-Raising

Much money has come from AFL-CIO members for the support of the programs and services of community health and welfare agencies. It is estimated that in the 1958-59 united fund-community chest campaign alone more than \$135,000,000 came from employees in AFL-CIO organized plants. This is only a part of the total financial contribution made by AFL-CIO members to all voluntary health and welfare agencies in the country.

A number of new publications, issued and sold during the past two years, helped in the development of CSA programs. These include pamphlets on mental health, fluoridation, consumer counseling, the National Health Fund, the senior citizen, boy scouting, the released prisoner, two folders in Spanish on family counseling and unemployment relief, etc.

CSA staff in New York is under the direction of Leo Perlis working in close association with the AFL-CIO Committee on Community Services headed by Vice President Joseph A. Beirne. Robert A. Rosekrans is the assistant director, John C. Pierce is in charge of field operations and Don Gregory handles public relations.

### Department of Education

The department supports educational programs of affiliated organizations, furnishing administrative experience, instructors and resource persons from its own and other departments, publications, materials, and audio-visual aids.

Subjects studied include labor history, organizing techniques, collective bargaining techniques, economics, NLRB procedures, civil rights, community participation, housing problems, unemployment compensation, social security, national health insurance, civil defense, public relations, and international affairs.

These are studied at resident schools and special institutes, conferences, classes, regular meetings, workshops, and seminars. Techniques include lectures, discussions, debates, buzz sessions, panel and forum discussions, film and filmstrip discussions.

### **Educational Projects**

National and Regional Conferences—The Department of Education conducted a conference for education directors of international unions and state centrals in April, 1958, in Detroit. In November, 1958, the second AFL-CIO Pacific Coast Education Conference was held in Vancouver, Wash.

The department was host to Canadian education directors at a three-day Joint U.S.-Canadian Education Conference in Washington in January, 1959.

Regional Schools—The 12-state Southern Labor School continued its advanced institutes for top leaders. In addition, it held a basic institute in the summer of 1959 at Spring Hill College, Mobile, Ala., for three states with particular problems in holding desegregated educational projects—Alabama, Georgia and Mississippi.

The eight-state Rocky Mountain Labor School held concurrent basic and advanced sessions in 1958 at the University of Colorado and in 1959 at the University of Utah. The basic course was planned for local union representatives; the advanced, for state and city central officers and international representatives.

In 1958 the state central bodies of North and South Carolina and Virginia established the Tri-State Labor School, which met at the University of North Carolina. In 1959 the school provided a basic and an advanced course at the University of Virginia.

National and International Union Schools—Increasingly staff help from the department was furnished to national and international unions in their summer school programs. Eight joint schools sponsored by various international unions in cooperation with the Department of Education were held in 1958 and 1959. Special aid was given to a joint summer school program of the Oil, Chemical and Atomic Workers and the International Chemical Workers in the summer of 1959.

State and City Central Body and Directly Affiliated Locals Programs—New state central week-long resident schools included those of the Oregon AFL-CIO and the Florida State AFL-CIO, inaugurated in 1959.

Eleven new states conducted weekend institutes in 1958 and 1959. In addition to week-long schools and state-wide weekend institutes, many state centrals carry on local weekend institutes jointly with local central bodies.

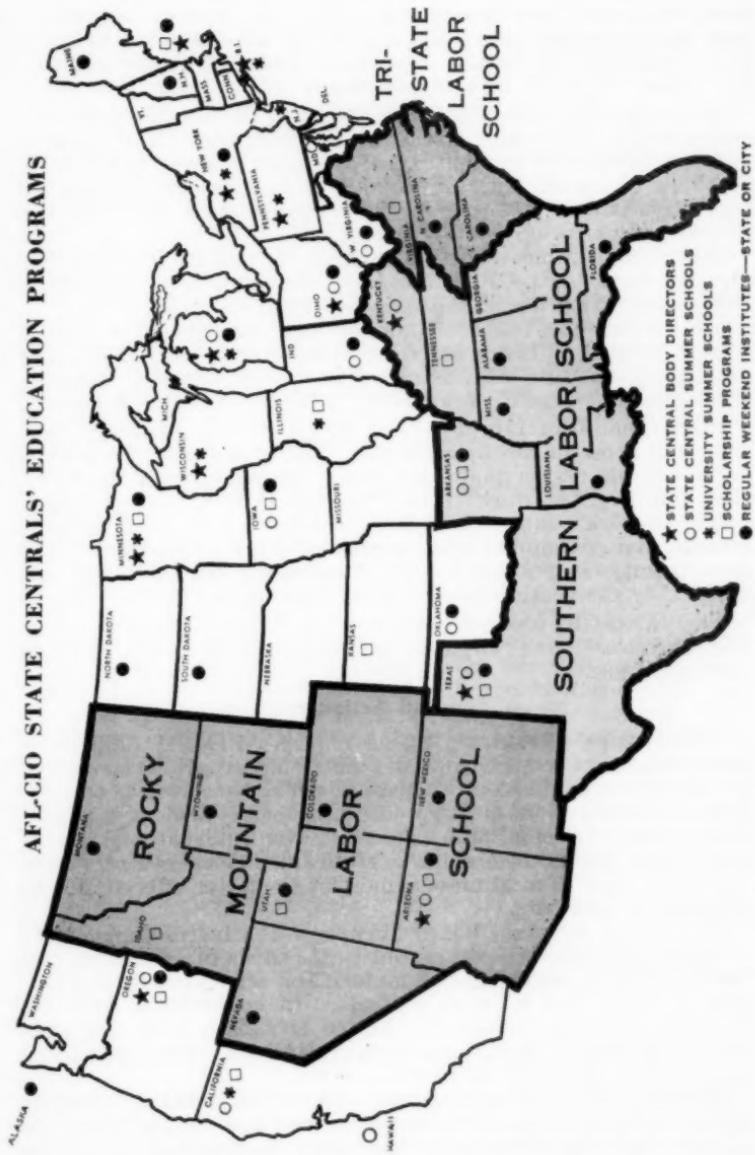
The department assists local central bodies and directly affiliated locals in developing educational programs.

### **Publications and Audio-Visual Materials**

Education News and Views—This monthly publication has expanded its scope and coverage since 1957, a minimum run being 30,000 copies, many issues running to 50,000 or 60,000. Reprint articles have circulated up to 250,000 copies.

Articles on the need for federal aid to education, the AFL-CIO

AFL-CIO STATE CENTRALS' EDUCATION PROGRAMS



Merit Scholarship awards, the AFL-CIO TV series, and retirement programs have appeared recently. Reviews of new films, new pamphlets and books, and a series of bulletin board posters, later reprinted separately, have been features. Many articles have been reprinted in pamphlet form.

**Manuals**—The department has prepared 45 manuals for summer schools, conferences and legislative institutes. Two experimental instructors' manuals were prepared: one for the Textile Workers Union of America to train instructors in the field of legislative issues; the other for the Virginia State AFL-CIO for its educational program for central bodies.

**Other Publications**—Revised editions of "How to Run a Union Meeting" and "AFL-CIO Manual for Shop Stewards" were published along with teaching guides for these manuals.

The "Films for Labor" catalogue was revised and a second edition printed. "Labor and Education in 1956 and 1957" was published, as was a reprint of an article by Director Connors from *The American Federationist*, "Why Have Public Schools?"

**Films and Film Library**—The AFL-CIO Film Library continued to grow in use by affiliates. Thirty-one new titles were added and discussion guides prepared. Distribution of the AFL-CIO anti—"right-to-work" film—"We the People," and the anti—"right-to-work" film, "It's Good Business," to local unions, schools, and community groups was carefully worked out. The department was responsible for distributing the AFL-CIO Atlantic City Convention film, "Union Democracy."

The AFL-CIO-produced films, "Do Higher Wages Cause Higher Prices?" and "Organizing Begins at Home," continued to have good use.

### **General Activities**

**Scholarships—Programs Sponsored by AFL-CIO Affiliates**—The department cooperates with scholarship programs sponsored by affiliated organizations, the best of which base awards on competitive examinations on labor subjects, open to seniors in public, private, and parochial high schools. Seven international unions sponsor programs, as do some 20 state and 25 local central bodies and more than 75 local unions, most of the latter offered only to children of members.

**Assistance to School Board Members**—An increasing number of trade unionists are serving on local boards of education, and the department makes special material on school problems available to them and to local centrals. In cooperation with the National Citizens Council for Better Schools a book was published on public school-labor cooperation and was distributed widely throughout the labor movement.

**National High School Debate**—The department is working closely with the Committee on Discussion and Debate Materials of the National University Extension Association in making

available expressions of labor's point of view on the 1959-60 high school debate topic. The central topic is: "What Policy in Labor-Management Relations Will Best Serve the People of the United States?" Specially prepared kits of materials are provided to students for these debates.

Liaison with Government Agencies—The department cooperates closely with the Advisory Committee of National Organizations, the Advisory Committee of Users of Educational Statistics, and the Division of Vocational Education of the U. S. Office of Education, the Department of Labor's Bureau of Apprenticeship Training and Office of International Labor Affairs, the Department of State, the U. S. Information Agency and the International Cooperation Administration.

Cooperation in International Education Programs—Visiting foreign trade unionists are briefed on American labor education and assisted in securing invitations to union schools, etc.

In January 1958 a staff member participated in a seminar of the European Productivity Agency, Organization for European Economic Cooperation, and surveyed union training programs in England, France, and Germany.

#### **Aiding Workers' Education Overseas**

Cooperation with the educational programs of the ILO and the ICFTU continues, one of the department staff taking part in the latter's educational seminar held in Oberursel, Germany, and Brussels, Belgium, in April and May 1958.

The department continues cooperation with the Fulbright program of awards for study abroad in the workers' and adult education field, a staff member serving on the selection committees.

Miscellaneous—Other important activities of the department are cooperation with such organizations as the national Joint Council on Economic Education in encouraging economic education, particularly in secondary schools; the Joint Committee on Library Service to Labor Groups in developing relationships between public libraries and local labor groups; and the National Institute of Labor Education in advising on and developing labor education projects of universities and other non-labor organizations.

The staff of the Department of Education consists of John D. Connors, director, John E. Cosgrove and George T. Guernsey, assistant directors, Bess K. Roberts, assistant to the director, Stuart P. Brock, Arthur F. Kane, and Hyman Kornbluh, labor education specialists.

### **Department of International Affairs**

The Department of International Affairs has assisted the officers and the International Affairs Committee of the AFL-CIO to prepare analyses and statements on international develop-

ments setting forth the international policies and positions of the AFL-CIO.

At the same time, the department has endeavored to make the position of the AFL-CIO in international matters as widely known as possible. This objective is reached through publications, attendance by members of the department at conferences of AFL-CIO regional bodies, educational meetings, summer schools, correspondence with trade unions in other countries, and active cooperation with the ICFTU, ORIT, ILO and international trade secretariats.

Vice Presidents George M. Harrison and Jacob S. Potofsky represented the AFL-CIO during the 10th anniversary celebration of the independence of the State of Israel. At the same time, they took part in the official dedication on Sept. 8, 1958 of the William Green Cultural Center at Haifa, Israel.

Vice President Joseph D. Keenan and Harry H. Pollak of the department participated in the United States Trade Fair in New Delhi, India, Dec. 10, 1958 to Jan. 10, 1959. In addition, Vice President Keenan was named as fraternal delegate to the annual convention of the Hind Mazdoor Sabha in Nagpur, India, Dec. 24-27, 1958. After departing India, they visited Japan, Singapore, the Philippines and Hong Kong, meeting with trade unionists and other leaders in these countries.

In cooperation with the New York State School of Industrial and Labor Relations of Cornell University, the department organized a one-week conference attended by participants from 17 international unions. The conference, opened by Vice President Harrison, chairman of the International Affairs Committee, centered on the general theme of the efforts to promote free trade unionism, particularly in the lesser-developed areas of the world.

#### **Training Foreign Unionists**

In keeping with the action taken at the founding convention to "encourage greater knowledge of and a greater interest in international affairs" among the membership of the AFL-CIO, the department has cooperated with the Department of Education, with international unions, and with state and central bodies in making known the role of American labor in world affairs.

In 1958, Maida Springer visited Africa and selected three African trade unionists, one each from Kenya, Tanganyika and Uganda, for participation in an AFL-CIO training program. For nine months they studied our trade unions and the problems of organization and growth. They have now returned to their countries and are working to strengthen the trade union movements in their own countries.

A training scholarship program was continued for trade unionists from Latin America. In January 1958, a trade unionist from Honduras came to the United States for a six-month program to learn techniques of union organization and adminis-

tration. He is now serving as organizer for the Trade Union Federation of the North Coast of Honduras. Grants for limited training were given to trade unionists from Barbados, Trinidad and British Guiana.

#### Briefing of Foreign Visitors

Another important phase of our activities is the briefing of foreign visitors at the AFL-CIO headquarters. These visitors come either as individuals or in "teams." During the period of January 1958 to July 1959, over 2,320 such visitors from 68 countries were briefed under the direction of the Department of International Affairs, in cooperation with other departments, on the structure, functions, political activities, and domestic and foreign policies of the AFL-CIO.

Roughly 50 percent of the visitors were local and regional trade union leaders, 25 percent were industrial leaders, while the balance were political leaders, educators, editors, and representatives of other professions. Most of the teams were under the sponsorship of the Office of International Labor Affairs, U.S. Department of Labor, and the International Cooperation Administration. A smaller number are sponsored by the AFL-CIO itself or, as in the case of the Swedish team in November 1958, directly by their own trade union organization.

Since New York City is the port of entry for many of these labor visitors, Lew Johnson, a national AFL-CIO staff member stationed there, meets them, bids them welcome, and assists in various ways, working with governmental personnel in planning itineraries and visits to trade union establishments. Trade union and other visiting delegations are provided with publications about the American trade union movement and given insight into the problems and progress of the American democratic way of life.

The department maintains relationships with the embassies of foreign governments, mainly through their labor attachés. Continued contact is maintained with the appropriate sections of the State Department, Department of Labor, International Cooperation Administration and other governmental bodies. The fundamental task of the department in all of these relationships is to emphasize again and again the role of the American labor movement in our democracy, with full recognition not only of its rights but also of its duties.

#### Free Trade Union News

The AFL-CIO Free Trade Union News, through its English, French, German and Italian editions, has continued to make known to thousands of active free trade unionists the world over the AFL-CIO views and activities in respect to both foreign and domestic policies. It has covered American trade union progress in collective bargaining, our fight against economic recession,

our struggle for the expansion of civil rights, our work for an effective foreign policy and for a strengthened United Nations. Thus, this monthly publication has promoted a better understanding of American labor and served in our fight for free trade unionism.

Its articles on the plight of labor in dictatorship countries, the comprehensive analysis of the Soviet veto record in the UN, the struggle against colonialism, the revolt in Tibet, and the swiftly moving events in Latin America, have aroused much interest as indicated by the correspondence and response evoked, especially in Africa and Asia.

Since the last convention, the department has also published the following pamphlets: International Resolutions of the Second Constitutional Convention, Questions and Answers on American Labor and Foreign Policy, Chart of Comparative Purchasing Power, and American and Soviet Economy—Contrast and Comparison (three editions) by President Meany.

The Inter-American division of the department has continued the translation into Spanish of a number of AFL-CIO pamphlets and has arranged for their widespread distribution throughout Latin America. The publication of the ORIT English-language Inter-American Labor Bulletin was continued from the AFL-CIO headquarters. Packages of educational material in English are sent regularly to the unions in the British and Dutch West Indies, the Guianas and British Honduras.

There are, of course, responsibilities which the department discharges in conjunction with the staffs in other departments of the AFL-CIO. Problems in the international field, such as foreign trade, foreign economic policy, tariffs, immigration, have required close cooperation among the legislative, research and civil rights departments.

#### Staff Assignments

Serafino Romualdi has continued in charge of all inter-American affairs. Since January 1959, he has been assisted by David Sternback. Their work involves numerous visits to Central and South America and close contact with ORIT.

Rudolph Faupl, international representative of the International Association of Machinists, has replaced George P. Delaney as the U.S. Workers' Delegate to the ILO. Bert Seidman of the AFL-CIO Department of Research has been assigned to assist Faupl. Seidman attended the International Labor Conference as a workers' adviser and, throughout the year, keeps in touch with all ILO developments. Faupl was the U.S. Workers' Delegate to the 1958 and 1959 sessions of the International Labor Conference and, in November 1958, was elected a member of the ILO Governing Body.

Henry Rutz remains in charge of the foreign visitors program and follows closely developments in Germany.

Harry Goldberg has been responsible for most of the educa-

tional work, attending meetings and participating in conferences. He also follows closely Italy and Indonesia, with which countries he is familiar.

Harry Pollak, who was previously assistant to Romualdi, follows closely developments in Asia, particularly India, which he recently visited with Vice President Keenan.

Irving Brown serves as AFL-CIO European Representative and, particularly, as the permanent substitute for representatives on ICFTU committees. During 1958-1959, Brown has been particularly active in Africa. Not only has he visited Morocco and Tunisia, but also the African Peoples Conference at Accra, Ghana, and the UGTAN Congress at Conakry, Guinea.

Jay Lovestone is in charge of publications of the department and serves as AFL-CIO non-governmental organization representative at the United Nations. In both of these functions he is ably assisted by Elly Borochowicz.

Michael Ross is the director of the department.

## Department of Legislation

The AFL-CIO Executive Council functions as the Committee on Legislation and makes such policy determinations as are needed.

The department is under the directorship of Andrew J. Biermiller. Assisting the director are four legislative representatives, an assistant and a technical and clerical staff. The legis-



Labor's goal for full prosperity and full employment were outlined at special legislative conference in Washington.

lative representatives are Walter Mason, George Riley, Hyman Bookbinder, Jack Curran and John Beidler.

An Administrative Committee was appointed by President Meany to work closely with the Department of Legislation. This committee includes the following legislative representatives of affiliated unions and departments: William Allen, C. T. Anderson, Ben Blankenship, James Brownlow, Harold Buoy, Joseph Coakley, Robert Connerton, John Edelman, Richard Gray, Frank Hoffman, George Nelson, Harry E. O'Reilly, Kenneth Peterson, Paul Sifton, Tom Walters and Al Whitehouse. The Legislative Director serves as chairman.

The Administrative Committee meets each Monday during sessions of Congress to discuss strategy on legislative problems. Special meetings are called as necessary.

Meetings of the Legislative Council, which consists of legislative representatives of affiliated unions, are held monthly. They are chaired by President Meany or Secretary-Treasurer Schnitzler. The meetings are held to inform affiliates of current legislative problems and to share and discuss views and methods relating to items of specific interest. A report on the current status of legislation is prepared by the Department of Legislation staff.

During 1958 and 1959 additional subcommittees were created to coordinate the legislative work and seek a solution to problems in various fields of legislation. These subcommittees were appointed by the director and are chaired by legislative representatives. They are: Aviation, Civil Rights and Liberties, Education, Fair Labor Standards, Health, Housing, Labor Relations, Depressed Areas and Community Facilities, and Unemployment Compensation and Social Security.

During the last half of the 85th and the first half of the 86th Congress over 100 appearances were made before congressional committees to present testimony regarding pending legislation.

Statements in support of AFL-CIO legislative objectives are prepared in consultation with the respective departments and committees of the AFL-CIO. Their cooperation has always been most helpful.

#### **Information to Affiliates**

The department informs affiliated international unions and state and local central bodies on the status of important legislation by direct letters, Action Bulletins, leaflets, pamphlets and fact sheets. Action Bulletins and leaflets are published at irregular intervals whenever a broad general response from citizens is required to generate interest in a legislative program or to encourage action within the Congress itself. At the end of each session of Congress, a pamphlet is published summarizing and evaluating the major actions of the Congress. The most recent

in this series of pamphlets is titled "Labor Looks at the 86th Congress."

In 1959 a series of fact sheets were prepared by the department, published in the AFL-CIO News, and reprinted to supply numerous requests from affiliates. The fact sheets provide background on issues before Congress. They covered all the following subjects: housing, depressed areas, labor reform, education, unemployment compensation, minimum wage, health insurance under the social security program and public works.

The department is responsible for maintaining mailing lists for Action Bulletins, pamphlets, leaflets and fact sheets. Requests for over two million copies of the leaflet "Get Crooks—Not Unions" relating to labor reform legislation were received and filled by the department.

### **Activities**

The department was often invited to speak at international union and central body conventions, university seminars and other meetings in the public interest.

In 1958 and 1959 the director appeared on three TV programs. The directors and legislative representatives participated in many AFL-CIO radio programs. The department is represented at government meetings on subjects important to the AFL-CIO membership.

Members of the staff helped with the planning and addressed legislative institutes for affiliated unions and assisted in planning for visits of officers and members of affiliated unions coming to Washington.

The department keeps a detailed voting record reflecting the positions taken by members of the House and Senate. These records are not designed for broad distribution, but are intended to be an aid in predicting congressional attitudes and otherwise assisting legislative work.

The department maintains a complete file of all bills and resolutions and committee reports filed in both houses of Congress. Printed hearings of congressional committees are catalogued and filed by the department. This file is used by other AFL-CIO departments and affiliated unions.

### **Economic and Legislative Conferences**

The Department of Legislation cooperated with the research and other departments in sponsoring an Economic and Legislative Conference in March 1958, to focus attention on the need for federal action to reduce unemployment.

More than 1,500 delegates met for two days, discussing the issues in workshops and visiting their representatives and senators. A number of legislators and AFL-CIO officers addressed the conference.

The delegates were presented with a series of fact sheets on

the basic issues, and adopted resolutions in support of the legislative program.

The conference served to emphasize the seriousness of the recession.

Through contributions from the AFL-CIO, Industrial Union Department, six international unions, and with the cooperation of the National Consumers League, a two-day conference was held Dec. 4-5, 1958 to commemorate the 20th anniversary of the Fair Labor Standards Act. The planning and arrangements for the conference were under the co-chairmanship of Andrew J. Biemiller and Arthur Goldberg, special counsel of the AFL-CIO. Over 600 persons registered and participated.

The first day set the stage for an action program aimed towards strengthening and improving the basic legislation. The program included panel discussion by members of cooperating unions on extending coverage of FLSA to uncovered workers and the need for a higher minimum wage.

A pamphlet, "Twentieth Anniversary," was published and a pageant, "Test of Our Progress," was presented setting forth the history and the accomplishments of the Fair Labor Standards Act.

Pursuant to action taken by the Executive Council at its February 1959 meeting, an unemployment conference was held in the National Guard Armory in Washington, D. C. to focus attention on the problems of unemployment and to discuss legislative action to relieve those problems.

Over 7,000 accredited and credentialled delegates attended this conference. They were addressed by leaders of the labor movement, Secretary of Labor Mitchell and congressional leaders, as well as members of the special conference subcommittee of the Executive Council.

On the following day, April 9, a general legislative conference of international officers and legislative representatives of international unions was held at the Statler Hotel. Approximately 500 people were in attendance.

#### **Minimum Wage Campaign**

A special project, the improvement of the Fair Labor Standards Act, was undertaken this year by a group of international unions, with the full cooperation of the headquarters departments.

Twenty unions established the AFL-CIO Joint Minimum Wage Committee, with Biemiller and Goldberg as co-chairmen. The member unions, the AFL-CIO and the Industrial Union Department financed the campaign. In addition, the facilities of the Public Relations, Research, Education, Legislative and Publications Departments were made available to the committee.

A small staff was employed to coordinate support for the FLSA measure (the Kennedy-Morse-Roosevelt bill) endorsed by

the Executive Council. Basic educational and public relations materials were prepared and distributed among international unions and the state and local central bodies. Arrangements were made with the member unions and central bodies for petitions, letter-writing campaigns and visits to senators and congressmen, both in Washington and in their home offices.

#### **Congressmen Visited**

More than 600 rank-and-file union members visited their congressmen in Washington through arrangements made by the committee. Approximately a half million pieces of literature were distributed by the committee, mostly through sale to co-operating unions and central bodies. Several member unions prepared and distributed additional literature.

In scores of communities, large and small, local governing bodies endorsed the FLSA bill by resolution. Several state governors issued proclamations in support of the measure. A gratifying number of businessmen and industrialists also endorsed the legislation.

### **Department of Organization**

Since the last convention, the Department of Organization has undergone extensive personnel change. The largest single change occurred in the early part of 1958 when 100 members of the organizing field and headquarters staff were affected by a reduction in force.

Every effort was made to minimize the impact on those involved in the layoff. For some dozen, eligible by age, retirement was effected. Twenty-eight were transferred to a newly created speakers bureau in the Department of Public Relations.

Work biographies outlining the organizing experience of the remainder were submitted to the presidents of all AFL-CIO national and international union affiliates. These were followed by personal calls and other contacts with unions by the department's staff with the result that most of the field representatives affected by the reduction were retained in the labor movement.

The number of assistants to Director of Organization John W. Livingston was reduced to two with the transfer of Carl McPeak to a newly established position dealing with state legislation, and George Craig to the Department of Public Relations.

Territorial responsibilities they had exercised were assigned to the remaining assistants; Franz Daniel, now coordinating departmental organizing activities in the South and West; John Schreier, performing the same function in the New England, Middle Atlantic and Central states. Alan Kistler continues as staff assistant.

The sharp reduction in organizing staff size required some regional staff assignment changes. Analysis of the tasks the regional staffs perform, both of an organizing nature and of a

special character in cooperation with other AFL-CIO offices and departments, led to a new structuring of intra-regional duties, more formal than had been felt necessary prior to the reduction. Director Livingston instructed regional directors to assign to their assistants major responsibility for coordinating organizing activities by the regional staff.

### **Regional Structure**

The following are serving as directors and assistant directors of the regions indicated:

Region I—New England States, Hugh Thompson, director; Franklin Murphy, assistant.

Region II—New York, New Jersey, Michael Mann, director; Charles Hasenmeyer, assistant.

Region III—Pennsylvania; Henry McFarland, director; William Taylor, assistant.

Region IV—Delaware, Maryland, Virginia, District of Columbia; Oliver Singleton, director.

Region V—North Carolina, South Carolina; Carey Haigler, director.

Region VI—Georgia, Florida, Alabama; Charles Gillman, director.

Region VII—Louisiana, Mississippi; E. H. Williams, director; Robert Starnes, assistant.

Region VIII—Tennessee, Kentucky; Paul Christopher, director; Arthur Potter, assistant.

Region IX—Ohio, West Virginia; Jesse Gallagher, director; William Kircher, assistant.

Region X—Indiana; Hugh Gormley, director; Frank Cronin, assistant.

Region XI—Michigan; Herbert McCready, director; Felix McCartney, assistant.

Region XII—Wisconsin; Charles Heymanns, director; Robert Davidson, assistant.

Region XIII—Minnesota, North Dakota, South Dakota; Carl Winn, director; Harold Seavey, assistant.

Region XIV—Illinois, Iowa; Daniel Healy, director; Edward Haines, assistant.

Region XV—Missouri, Kansas, Nebraska; Delmond Garst, director.

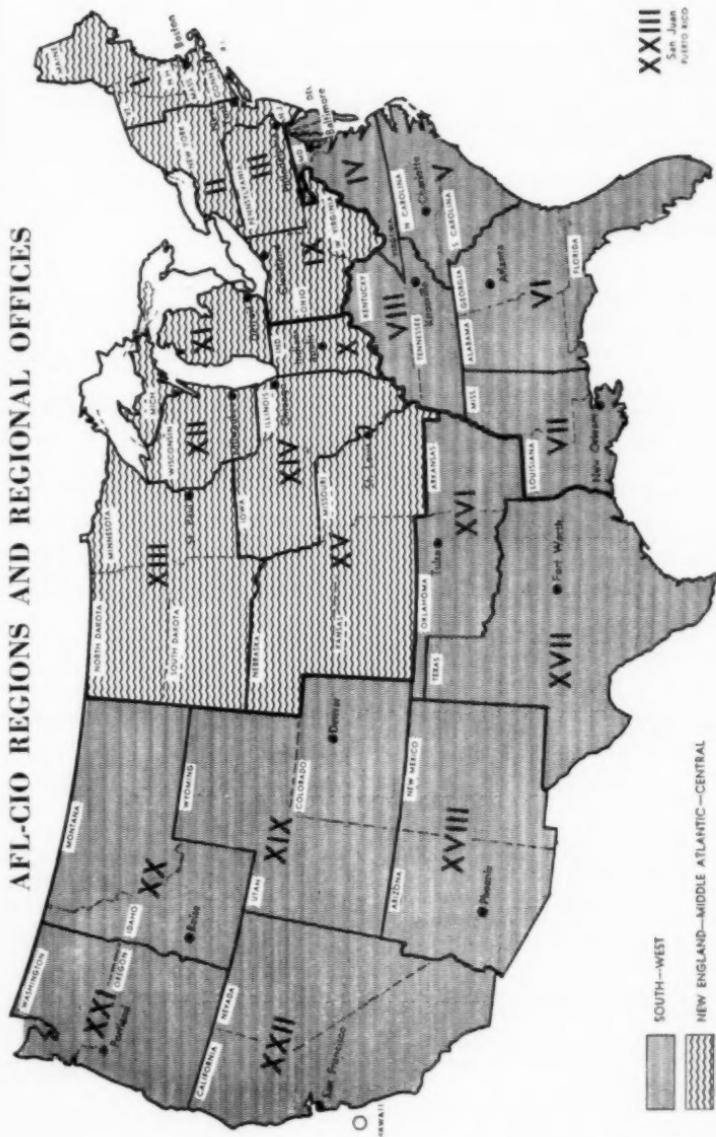
Region XVI—Arkansas, Oklahoma; Woodrow Pendergrass, director; Gobel Cravens, assistant.

Region XVII—Texas; Lester Graham, director; A. R. Kinstley, assistant.

Region XVIII—Arizona, New Mexico; Elmer Theiss, director; William Smith, assistant.

Region XIX—Colorado, Utah, Wyoming; Fred Pieper, director; Wesley Johnson, assistant.

## AFL-CIO REGIONS AND REGIONAL OFFICES



Region XX—Idaho, Montana; Charles Smith, director; James Leary, assistant.

Region XXI—Oregon, Washington; Chester Dusten, director; Claude Shaffer, assistant.

Region XXII—California, Nevada; Daniel Flanagan, director; Irwin DeShetler, assistant.

Region XXIII—Puerto Rico; Hipolito Marcano, director.

The accompanying map shows the 23 AFL-CIO regions, cities in which regional headquarters are located, and the departmental organizing sectors.

#### Staff Changes

Since the last report, 17 AFL-CIO field representatives and assistant regional directors have retired. In recognition of their years of service to American workers their names are herein listed:

A. F. Cadena, William Collins, Ernest A. Eaton, Fred Fudge, Joseph Gillis, John M. Glenn, Charles C. Hughes, George Knezevich, George H. McGee, Julia O. Parker, Arthur A. Rabe, J. H. Skaggs, James Spangler, James P. Sweeney, Aaron Velleman, William F. Wright.

A number of field representatives accepted appointments to organizing positions with various AFL-CIO affiliates, recognition both of the caliber of the AFL-CIO organizing staff and of the increased attention being paid to organizing by AFL-CIO unions.

In March 1959, Leroy T. Gourley, field representative assigned to Region VI, suffered a fatal attack while on duty assignment. Gourley, a long-time member of the Aluminum Workers International Union, had earned an enviable reputation as a labor representative throughout the area.

Two former AFL-CIO field representatives have died since their separation from the organizing staff in 1958: Otis Smith, formerly of the Tennessee-Kentucky regional staff; and Peter Aversa, formerly with the New York-New Jersey regional staff.

These changes, taken together with the major staff reduction in 1958, return to the staff of several who had been on leave of absence, and appointment, for special organizing campaigns, of several field representatives, brings the present Department of Organization membership to 23 regional directors, 19 assistant regional directors, 112 field representatives and four members of the headquarters staff. This total of 158 constitutes a net reduction of 181 persons in the organizing staff since merger.

There are, in addition, 40 secretaries, stenographers and clerks; three are assigned to headquarters' operations and 37 to field offices.

The Department of Organization is a service organization. Its mission is to serve the interests of America's workers by assisting them to obtain the benefits of trade unionism. It ac-

complishes this, in large measure, through specific assistance to the various AFL-CIO affiliates, and by general assistance to the movement as a whole through the development and refinement of organizing techniques and aids. In these endeavors it has enjoyed the cooperation of other AFL-CIO departments, and has been pleased to assist other AFL-CIO departments in their special operations.

### **Problems and Prospects**

Internal obstacles can impede organizing progress as surely as those produced by forces and circumstances outside the movement. With almost twice as many unorganized organizable workers as are presently in AFL-CIO ranks, there is no place for unreasoning jurisdictional contention, especially in the white collar field.

The Department of Organization will continue to devote its energies to the resolution of problems obstructing the extension to every working man and woman in America the benefits of union membership.

## **Committee on Political Education**

The heightened pace of the political education program of the AFL-CIO in 1958-59 is reflected in the increased activity in the states and in the national office of COPE.

As of the fall of 1959, 13 states had full-time COPE directors supported by the state organization and in four of these states full-time women were also employed to assist in the development of the Women's Activities Department program. In an additional 12 states full-time state COPE directors are employed with the assistance of the national office and in three other states full-time women are employed, with the assistance of national COPE, in the women's program.

Nine area directors, two Women's Activities Department Directors and two field representatives represent the national COPE director in the field.

The COPE area directors, together with the areas covered, are:

Area 1—Henry Murray—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, New York, Rhode Island.

Area 2—Hugh J. Mullin—Pennsylvania, Delaware, Ohio, New Jersey, Maryland, West Virginia.

Area 3—Wilbur Hobby—Florida, Georgia, North Carolina, South Carolina, Virginia.

Area 4—Darrell D. Smith—Michigan, Illinois, Iowa, Indiana, Wisconsin, Minnesota.

Area 5—Daniel A. Powell—Arkansas, Alabama, Louisiana, Mississippi, Tennessee, Kentucky.

Area 6—Al Green—Alaska, Hawaii, California, Oregon, Washington.

Area 7—Vacant—Arizona, Colorado, Nevada, Utah, Idaho.

Area 8—W. Don Ellinger—New Mexico, Oklahoma, Texas, Kansas, Missouri.

Area 9—Walter F. Gray—North Dakota, South Dakota, Nebraska, Wyoming, Montana.

The two field representatives are Philip Weightman, headquartered in Chicago, and Earl Davis, headquartered in Richmond, Va. Mrs. Esther Murray is the eastern director of the Women's Activities Division and is concerned with all states east of the Mississippi River while Mrs. Margaret Thornburgh is the western director of the Women's Activities Division and serves all states west of the Mississippi River.

This field force is backed up by the national office headed by Director James L. McDevitt assisted by Deputy Director Al Barkan. William J. McSorley is assistant director. Also in the national office is a small professional staff consisting of Henry Zon, research director; Frederick Dashiell, public relations director; Walter Bartkin, comptroller; Mrs. Mary G. Zon, assistant research director, and Miss Ethel Payne, writer.

Also reflecting heightened political activity is the financial status of COPE. Contributions received by COPE in 1958 were 14 percent higher than in 1956 while contributions by COPE to candidates for federal office were 27 percent higher in 1958 than in 1956.

In 1958 awards for 100 percent COPE contributions were given 404 local unions and 39 international and national organizations that fully met their obligations to COPE, 27 of which completed a three-year record of full participation.

It is expected the 1959 individual contribution campaign will exceed previous comparable years with 93 national and international organizations participating in the drive for COPE dollars.

During the past two years steps were taken to eliminate differences in the method of collecting individual COPE contributions and it is expected that as more uniformity develops greater success will be achieved.

### Literature and Publications

During 1958 and the first half of 1959, 33 different items of literature were printed and distributed with a total circulation in excess of 31 million. In early 1959 the circulation of Political Memo from COPE, published bi-weekly, went over the 100,000 mark and has remained above that figure since. Paid re-subscriptions have been running at the rate of 2,300 per month. The Keeping In Touch newsletter of the Women's Activities Department has a circulation of 4,000, while 10,000 copies of Notes From COPE, a publication devoted to minority problems, are sent out twice a month.

In the late summer of 1958 approximately 11,250,000 copies of the 1957-58 voting record of members of the House of Repre-

sentatives and United States Senate were sent to the various states for distribution to members of the AFL-CIO. The problem of providing these voting records in sufficient time for southern primaries while including votes recorded late in the congressional session will, it is expected, be solved in time for the 1960 congressional elections.

COPE's research department during the 1958-59 period handled over 2,100 requests for research material.

#### New Conference Materials

For the 20 area conferences held in 1959 a new series of visual materials was developed. Their reception warranted further efforts along these lines and it is expected additional materials will be developed and produced by the end of the year. New techniques in the holding of such conferences are also under study.

Considerable progress has also been made in the establishment of relations with other community groups. In many instances during the 1958 elections such relationships were vital in the campaigns against compulsory open shop proposals. Activity to expand these lines of communication is under way.

Of great assistance to the functioning of COPE has been the COPE Operating Committee consisting of 32 representatives of national and international unions designated by COPE Chairman Meany. This committee, which has the function of reviewing the operations of COPE and consulting with the director, held nine meetings in the 1958-59 period at which all phases of COPE's activity were discussed. Recommendations affecting policy were referred to the COPE Administrative Committee for decision.

In December 1958 state leaders of the political education effort met with Director McDevitt and his staff in Washington for a review of the 1958 campaign and a discussion of 1959 plans. It was on the basis of this meeting and discussions at the Operating Committee meetings that the framework of activities in the 1958-59 period was erected.

### Department of Public Relations

The AFL-CIO, in the period since the last convention, has weathered a serious public relations storm created by labor's enemies who falsely labelled the entire labor movement corrupt because of the misdeeds of a few.

By prompt and forthright action, the AFL-CIO proved corruption would not be tolerated. This, coupled with the AFL-CIO's fight for anti-corruption legislation, while opposing anti-labor measures, blunted the enemy's propaganda. Proof of labor's victory was the 1958 campaign against so-called "right-to-work" laws, which labor won decisively.

### **Public Relations Program**

Since the last convention, the Executive Council planned and put into execution a new, broad and comprehensive public relations program, designed to bring the facts and the truth about the AFL-CIO's aims, aspirations and accomplishments to the general public. Following a thorough discussion in the Public Relations Committee, chaired by Vice President William C. Birthright, a subcommittee, under the chairmanship of Vice President William C. Doherty, mapped such a program.

This subcommittee, comprising Vice Presidents James B. Carey, Lee W. Minton and Joseph A. Beirne and Sec.-Treas. Schnitzler drew up a detailed, expanded public relations program, which was adopted by the Executive Council in mid-1958 and was promptly implemented as a supplement to the Department's press information service.

#### **Radio**

As a key to the program, the AFL-CIO continued sponsorship of the radio news programs of Edward P. Morgan (7:00 p. m., EDT) and John W. Vandercook (10:00 p. m. EST) over the ABC network five nights a week. The programs have been praised in listener letters for clear, responsible news reporting and analysis, and for the way in which the programs and the sponsor announcements have increased understanding and appreciation of the role of the AFL-CIO.

Both summers, because of the important issues before Congress and the critical world situation, the AFL-CIO sponsored five-minute weekend news programs. These helped keep the public informed on the latest news even when they were in their cars or vacationing and contributed to a public realization of the functions of trade unions.

#### **Free-Time Radio**

During both sessions of Congress, the AFL-CIO interviewed Republicans and Democrats on major issues and supplied radio stations with a recorded program, "Washington Reports to the People." This year 260 radio stations carried the weekly program as a public service without cost to the AFL-CIO. The series was widely hailed by congressmen, state officials, educators and listeners.

"As We See It," a weekly broadcast presenting officials of AFL-CIO unions and staff members, continued on free time made available by the ABC network. This series served as a means for national radio discussion of labor's views on major issues.

#### **Television**

The new public relations program includes a broad experiment in the use of television as a means of disseminating constructive news of labor organizations, groups and individual members.



**Top Hollywood stars appeared in AFL-CIO sponsored film to help promote sales of U.S. Savings Bonds.**

The occasional labor conflict generates its own headlines but the fact that a local union has sponsored a blood bank, a trades council has built a community children's camp or a union member has been named "Father of the Year" quite frequently escapes public notice.

To close this gap, a new approach—the television news release—was adopted. Film clips are made of timely labor events for use on TV news programs. All available returns indicate substantial usage has been achieved and events previously ignored have been reported.

Labor's major television venture was a weekly film series designed for use on TV public service time without charge.

"Americans At Work," a 52-week series of 15-minute productions, each built around a single trade or industry, was designed to present in dramatic simplicity the skill, talent, training and toil that union members bring to the job and to portray the importance of the worker.

These films, offered to television stations for presentation on public service time, are now being shown on more than 100 stations. The viewing time, if purchased, would have cost well over \$700,000.

Subjects of the films range from the craftsmanship of a potter individually creating a vase or the bottle blower exercising his ancient art to the autoworker casually controlling an enormous press. Restricted by the rules governing public service presentations in the amount of direct "selling" of union objectives that can be included, the series has won extensive praise from television experts and plaudits from station managers for reaching an increasingly large audience.

In addition, the series is being telecast on the 26 Armed Forces overseas TV stations.

The United States Information Agency, praising the series highly, has AFL-CIO permission to re-narrate the films in various languages and is now showing them in 23 foreign countries.

### **Opinion Makers**

In another public relations effort, the AFL-CIO designed a program to reach opinion makers. Included was a Speakers Bureau and a direct mail campaign.

The Speakers Bureau was established in February 1958 with 28 former organizers assigned to contact non-union groups in their communities and arrange to address their members on topics about organized labor. In 1958 they made about 9,000 personal contacts with leaders of service clubs, fraternal societies, high schools, church groups and a wide range of miscellaneous organizations and spoke to 1,802 groups. In the first 22 weeks of 1959 they spoke to 1,347 groups.

In September 1958 a program to encourage the appearance of trade union officials before college and university groups was established. Sixty speeches were arranged for the period before Christmas. In the first five months of this year 237 speeches were made, with 85 speeches in April alone. Invitations are now being received for the 1959-60 school year when we will be pushed to find enough speakers for the opportunities given to us.

The special mailing program was designed to provide interested opinion makers with the precise information they needed. Already 1,600 have requested such material and new requests are processed daily. In addition, 16 specific mailings were handled for various AFL-CIO departments putting special material on labor's policy in the hands of 25,000 opinion makers. Under this program, labor material is also going to public libraries and those at colleges and universities.

### **Special Projects**

The department worked closely with other headquarters departments during the 1958 "right-to-work" campaign, reported elsewhere, and produced a color motion picture, "We the People," which played an important part in that campaign.

In 1958, the department arranged with the U.S. Treasury Department for the production of a film designed to aid in the

sale of U.S. Savings Bonds. This film, sponsored by the AFL-CIO, starred the cast of "Father Knows Best," the TV comedy hit, and is being shown to thousands of groups as a labor public service project. The Secretary of the Treasury presented a special award to President Meany for this AFL-CIO contribution.

The director of public relations is Albert J. Zack; Robert J. Wentworth is the assistant director. Harry W. Flannery handles the radio programs, while Milton Murray is responsible for television production and George Craig for public service time on TV stations. Tilford E. Dudley directs the Speakers Bureau and Mrs. Mildred Walker the direct mail campaign.

## Department of Publications

The task of keeping the trade union movement informed of the important and critical developments affecting labor has been a major preoccupation of the AFL-CIO since the last convention.

The nature of the attacks on the trade union movement in the collective bargaining, economic and legislative areas has required that the AFL-CIO's position and its objectives be fully and accurately presented and distributed throughout the trade union movement, the labor press and to those groups which help mold and shape public opinion.

The Department of Publications has prepared and distributed, with the cooperation of other departments of the AFL-CIO, a weekly newspaper, a monthly magazine and publications ranging from a four-page handbill to a full-length book.

### The AFL-CIO News

The weekly AFL-CIO News, usually carrying 12 pages of news reports, news features, opinion pieces and editorial comment, has been one of the major avenues of disseminating information about and to the trade union movement.

The paper covers news areas that go completely unreported in the nation's daily press or magazines and provides essential information of the activities of the trade union movement on a national level.

The paper's coverage of the conventions of all AFL-CIO affiliates and the important actions taken by these unions does not exist in any other national publication.

It has published the texts of important statements and testimonies to insure that the labor movement has access in full to the necessary documents.

A new development has been the publication of Fact Sheets on Congress, each a one-page presentation of the legislative history of an issue important to the labor movement. These fact sheets have been reprinted and distributed widely in direct response to the need for accurate and reliable information in these areas. The News also has stepped up its publication of

Score Cards on Congress which also have been reprinted and widely distributed.

The circulation of the paper is about 116,000. Continuing efforts are being made to increase the sale of the AFL-CIO News to trade unionists and groups and individuals outside the labor movement. Part of this campaign involves having state and local central bodies purchase the paper for distribution to state legislators, city councilmen, college and high school libraries and other community uses.

#### **The American Federationist**

On a monthly basis, the AFL-CIO American Federationist provides a forum for discussion at greater length and in greater detail of the major issues confronting the labor movement, and for the widely read editorial comments of President Meany.

Public officials, trade union leaders and students of labor follow this publication closely and it has an important impact in the general area of opinion formation.

The Federationist serves also as an important medium for material that is eventually reprinted in leaflet and pamphlet form for distribution to the trade union movement and the general public. Many of the publications issued in the past two years have originated in the magazine.

#### **AFL-CIO News Service**

Three times a week—and oftener to meet special situations—the department produces the AFL-CIO News Service which is distributed to the bona fide labor press of the nation. The News Service is used also to distribute important statements and texts concerning major policy positions of the AFL-CIO. It contains also a weekly mailing of cartoons and photographs in mat form.

The material contained in the service is designed to aid the bona fide labor press to balance its presentation of local or special interest news with stories of major national and international importance. It has become a substantial factor in the news budgets of most of the nation's labor press.

#### **Pamphlets, Leaflets, Books**

In cooperation with other departments of the AFL-CIO, the Department of Publications has produced 35 publications, including pamphlets, leaflets and books, since the last convention, adding to the close to 60 pamphlets previously published.

These publications cover a wide range of subject material—a 133-page book, Union Security—The Case Against the Right-to-Work Law; a pamphlet on Religion and Labor, dealing with the relationship between trade unions and churches and synagogues; the Worker's Stake in Mental Health, dealing with mental illness and the role of trade unions in improving conditions in this area; a review of the work of the 85th Congress; a summary of the Codes of Ethical Practices; a pamphlet on strike assistance; a

major definitive work on State and Local Taxes; an important handbook covering labor's participation in world affairs; manuals for shop stewards and how to run a union meeting; and numerous other publications covering the range of AFL-CIO interests and objectives.

In addition, earlier publications of the AFL-CIO have been revised and updated to meet the continuing need for current material in areas like automation, consumer protection on credit, and farmer-worker relations.

#### **Noticiero Obrero Norteamericano**

The Spanish language publication, *Noticiero Obrero Norteamericano*, which is edited and produced in the Office of the President, has been sent airmail to nearly 10,000 readers in Latin America.

Issued semi-monthly since 1943, the publication brings news of the U.S. labor movement to unionists and others throughout Latin America. There is every indication that *Noticiero Obrero Norteamericano* has continued to perform a most valuable service in promoting understanding of U.S. labor among the peoples of Latin America.

Since the last convention, there have been a number of staff changes in the department. Henry C. Fleisher resigned as director and was succeeded by Saul Miller, who had been managing editor of the AFL-CIO News. Willard Shelton, an assistant editor of the AFL-CIO News, was appointed managing editor of the paper. Bernard Tassler is managing editor of the AFL-CIO American Federationist. The director of the department is also an ex officio vice-president of the International Labor Press Association. Assistant editors of the AFL-CIO News are Robert B. Cooney, Gervase N. Love, David L. Perlman and Eugene C. Zack.

### **Department of Research**

The Department of Research has continued to report and analyze significant economic developments for the AFL-CIO. The staff has provided direct assistance and analyses on economics and technical subjects for AFL-CIO officers, committees, departments and affiliates.

In regular monthly publications, the department makes available discussions of current economic and collective bargaining trends. Through work with government and non-government groups at the state, national, and international level, research department members have worked to further AFL-CIO policies. Recently, the research department has initiated a series of seminars to discuss AFL-CIO programs with academic economists and has begun a labor research internship to aid the training of future research personnel.

The AFL-CIO Committee on Economic Policy, and its various subcommittees are staffed by the department. The committee prepares special statements on economic issues for presentation to the Executive Council and issues a monthly publication.

#### **Cooperation with AFL-CIO Departments**

Many research activities are meshed closely with programs of other AFL-CIO departments. Such legislative issues as the Fair Labor Standards Act, community facilities, atomic energy, fair trade, taxes, monetary policy, and international trade, require preparation of detailed testimony for presentation to congressional committees. Working closely with the Department of Legislation, the research staff has prepared testimony and presented AFL-CIO statements on the economic issues. In addition, the research staff has supplied brief fact sheets on major legislative issues.

Research staff members have assisted AFL-CIO officers, served as technical advisers or AFL-CIO representatives at international labor meetings of organizations such as ICFTU, ORIT and IMF. Members of the department also have served as AFL-CIO representatives or public advisers to U.S. government delegations to such international meetings as GATT, UNESCO and ILO.

A research staff member serves as a technical advisor to the ILO worker delegate. The department has also participated in research seminars and technical meetings with specialists from other nations.

Explaining labor's economic views at union schools and workers education conferences is part of research staff activity in cooperating with the Department of Education staff. The research and education staffs work together in the activities of the Joint Council on Economic Education, in an effort to improve the teaching of economics in the nation's secondary schools.

#### **Aid to Affiliates**

The department provides both regular reports and special assistance on collective bargaining developments and problems. Information on financial status of companies, analyses of collective bargaining proposals, and analyses of national and industry data, wage and fringe benefits are supplied to affiliates whenever required. The department continues to answer non-labor requests as a regular service activity.

Industrial engineering aid to affiliated unions has expanded through direct service and training programs. Several schools have been conducted for specific unions' staffs.

State and local affiliated bodies have received assistance in the anti- "right-to-work" fight and in special state tax problems, in addition to aid in other economic areas.

The addition of a staff member in the field of atomic energy and natural resources has permitted us to be more active in cooperating with the legislative department in this area. Addi-

tional service has been supplied to state bodies, and affiliated unions. In April 1959, a seminar for AFL-CIO representatives was arranged with the Atomic Energy Commission to improve understanding of atomic energy programs.

#### **Government**

The Department of Research has continued to maintain liaison with the statistical branches of the Department of Labor and other government agencies in an effort to improve the value of statistics for collective bargaining and economic policy decisions.

The department also has continued to coordinate international union participation in Walsh-Healey Public Contract hearings in the Department of Labor. Research staff members have continued to serve on Puerto Rico minimum wage committees and to work with the President's Office in arranging for labor representation on them.

Staff members continue to meet with economists and technicians from various government agencies and to represent the AFL-CIO on government advisory committees to various branches of the federal government.

#### **Conferences**

The department planned and participated in the AFL-CIO Conference on the Changing Character of American Industry, conducted in January 1958. The research staff helped in preparations for the AFL-CIO Economic and Legislative Conference in March of 1958 and cooperated with the preparations for the Unemployment Conference of 1959.

Staff members also have been participants in the Industrial Union Department conferences, and have cooperated with conferences of national organizations on a wide variety of subjects.

#### **Publications**

In 1958, the department issued a handbook "State and Local Taxes," to aid understanding of the complex areas of state taxes. Union economists' presentations before the Joint Economic Committee were assembled and published in "Relationship of Prices to Economic Stability and Growth."

In 1959, a pictorial pamphlet, "A Better Minimum Wage for More American Workers" was prepared to help in the fight for \$1.25 minimum wage with extended coverage.

#### **Seminars for College Professors**

The need for better communications with university and college professors has become increasingly apparent. After polling the economics chairmen of 150 colleges and universities for their reactions to such a proposal, the department held the first AFL-CIO Seminar for College Professors in Atlantic City, New Jersey in January and the second at Cornell in March 1959.

Other seminars are planned to expand these initial efforts to

further understanding of AFL-CIO programs in economics and closely related fields.

#### **Labor Research Internship**

In 1958, the department initiated a program to give a qualified young person practical training in labor research. Under the program, a candidate with academic training in economics is selected to work one year with the research staff. The program provides practical experience both for the candidate selected and increased availability of trained research personnel.

The first candidate, Rudolph Oswald, completed his year's internship in June 1959 and has joined the staff of the International Association of Fire Fighters. The 1959-60 candidate is Edward Ghearing.

The director of research is Stanley H. Ruttenberg; Nat Goldfinger and Peter Henle are assistant directors. The other staff members are: Seymour Brandwein, Frank Fernbach, Bert Gottlieb, Elizabeth Jager, Bert Seidman, Ted Silvey and George Taylor.

### **Department of Social Security**

At the beginning of 1958 the Department of Social Security consisted of the following professional staff members: Nelson H. Cruikshank, director, and four assistant directors—Mrs. Katherine Ellickson, Clinton M. Fair, Lane Kirkland, and Raymond Munts.

Mrs. Ellickson's responsibilities were primarily in the field of old-age, survivors and disability insurance and in public assistance; Fair's primary responsibilities in the field of workmen's compensation; Kirkland's in the field of health and welfare programs; and Munts' in the field of unemployment insurance. Mrs. Mary Erb, a semi-professional staff member responsible primarily for the volume of correspondence from individual union members and with officers of affiliated organizations, remained on special assignment from the Secretary-Treasurer's Office until May 1959.

Kirkland resigned in August 1958. In October of that year his position was filled by Miss Lisbeth Bamberger.

The major activities of the staff have been directed to the forwarding of the program adopted by the convention and the Executive Council. The division of responsibility in the field of social insurance legislation between this department and the Department of Legislation continues on the cooperative basis described in the Report of the Executive Council to the 1957 Convention.

#### **Staff Activities**

The program of regional conferences on state social insurance legislation held under the sponsorship of the Department of

Social Security and the state branches has been limited during the last two years. Two such conferences were held covering eight states. Both 1958 and 1959 were demanding on staff facilities in terms of national legislative issues. In 1958, many of the officers of state central bodies were heavily involved in activities relating to election issues in the states.

The department does not issue any regular departmental publication. The staff works with the Department of Publications and other headquarters departments in getting material on social security to affiliated organizations and their members. Three issues of Labor's Economic Review were prepared by Mrs. Ellickson, Fair, and Munts.

The director, Mrs. Ellickson, Munts, and Fair have all appeared at various times on radio and television programs at the request of the Department of Public Relations and occasionally on the direct invitation of the radio or TV stations.

Every professional member of the staff has appeared before committees of Congress in connection with legislation in the social insurance and health fields. In some instances, statements for congressional committees have been prepared in the Department for use by other department representatives both in connection with legislative work and the educational program of the AFL-CIO.

Munts, in addition to his assignments in the unemployment compensation area, has assisted federal unions in negotiating pension plans.

In addition to the many conferences involved in maintaining working relationships with governmental departments in Washington, staff members of the department have in the last two years made a total of 70 field trips to 58 cities in 30 states, the Dominion of Canada and one in Europe. These included four conferences organized by the department; participation in 10 conferences run by universities; 12 educational institutes; three conferences run by other AFL-CIO departments; 22 conferences and institutes sponsored by other than labor organizations; 11 conventions and legislative conferences sponsored by state branches or affiliated international unions; and one international conference of the ILO.

#### **Representation Assignments**

Director Cruikshank served as a member of the Federal Advisory Council, U.S. Department of Labor until June 30, 1959, when he ended his fifth two-year term. He was a member of the Statutory Advisory Council on Social Security Financing set up under terms of a 1956 amendment to the Social Security Act. This council made its final report in January 1959. He was appointed in June of this year as a member of the National Advisory Committee for the 1961 White House Conference on Aging.

Cruikshank continues as member of the Department of Church and Economic Life of the National Council of Churches. He served during 1958 and through March 1959 as a member of the board of directors of the National Tuberculosis Association. In August 1958 he was elected an honorary fellow of the American College of Hospital Administrators.

Miss Bamberger served as treasurer of the American Labor Health Association through May 1959. When this organization merged with the Group Health Federation to become the Group Health Association of America, she was elected a member of the board of directors of the merged organization.

Mrs. Ellickson was appointed by the Secretary of Health, Education and Welfare as the labor member of the statutory Advisory Council on Public Assistance. She also serves as alternate member of the National Labor-Management Manpower Policy Committee. She represents the AFL-CIO on the National Board of the National Council on Agricultural Life and Labor, and has served as a member of the executive committee of this council. She represents the AFL-CIO on the National Committee on Equal Pay and is a member of the national executive board of the National Consumers League and a member of the Labor Committee of the National Planning Association.

Fair is a member of the Executive Committee of the President's Committee on Employment of the Physically Handicapped. He also represents the AFL-CIO on the International Association of Industrial Accident Boards and Commissions. He serves as a member of the Inter-Departmental Committee of the AFL-CIO on Surplus Foods and the Staff Subcommittee on Atomic Energy.

Before resigning his position in the department, Kirkland served in April and May 1958 as technical advisor to the Workers' Delegate at the 41st (Maritime) Session of the ILO in Geneva. He continued as labor representative on the Federal Hospital Council, advising the U.S. Public Health Service on administration of the Hill-Burton Hospital Survey and Construction Act.

In June 1959, on nomination by President Meany, Munts was appointed a member of the Federal Advisory Council on Employment Security by the Secretary of Labor.

## Office of General Counsel

Leading up to the time of our second convention as a merged organization in 1957 the general counsel's office had been faced with a complexity of legal problems, both large and small, which normally would follow the merger of two large organizations. The appropriate handling of these problems established an orderly pattern, which has provided in the succeeding two years a continued smooth expedition of the federation's legal affairs.

In the two years following the second convention, the general counsel's office has rendered important service to the AFL-CIO, its subordinates and affiliates. This service covers not only the many situations which were brought about by the merger, but also a daily volume of legal problems which arise in the normal course of the administration of the AFL-CIO.

General Counsel J. Albert Woll has been in attendance at all the regular meetings of the Executive Council, as well as at Executive Committee, staff and special meetings where legal counseling has been desired or required. His office has consulted daily with the executive officers, department heads and staff members of the federation on matters of a general legal nature—not only on litigation arising under the many existing state and federal laws in the field of labor relations, but also in advising courses of conduct which would avoid such litigation.

The AFL-CIO has not, during this period of time, sustained any judgment against it, and at the present there are no outstanding actions seriously involving the organization as a direct party. This same record of accomplishment was reported to you at the last convention.

The general counsel's office has, when called upon, consulted with and advised the officers and members of various affiliated national and international unions on matters which directly or indirectly affect the AFL-CIO and the labor movement generally. State and local central bodies have received continued assistance from the general counsel whenever it has been requested. Local unions directly affiliated with the federation have constantly sought the services of the general counsel's office on matters relating to their individual operation as well as on matters having to do with their respective positions as affiliates of the federation.

Of primary concern to these subordinate and directly affiliated organizations have been the numerous complicated government reporting forms and rulings and the problems connected therewith which have been a source of constant effort during the past two years.

The general counsel has advised the federation with respect to the establishment of trusteeships and has been present and acted as counsel during trusteeship hearings involving subordinate groups of the federation.

#### **Legal Work With Departments, Committees**

The general counsel's office has been called upon by the directors and staff heads of various departments and committees of the federation for assistance in resolving legal problems arising in the normal course of their activities. For example, the Department of Organization has called upon counsel to assist in pertinent organizational problems such as the appropriate defense against certain state and local licensing ordinances, and the handling of other pressing problems pertaining to the opera-

tions of that department. The Committee on Political Education has received legal assistance in the interpretation of state and federal statutes, and in the preparation of reports which it is required to file under the Federal Corrupt Practices Act.

The Accounting Department, whose work has been made even more difficult by the ever increasing government documents required in its daily operation, has sought and secured continued legal assistance in the interpretation and in the preparation of reporting forms newly required as well as the regularly required forms for the Internal Revenue Service, Labor Department and National Labor Relations Board. The Public Relations and Publications departments have required legal advice in the preparation of materials for release to the general public and in the preparation of testimony to be presented to government committees.

During the past two years the counsel has appeared on behalf of the federation before both examiners and the full National Labor Relations Board in oral argument. Policy positions of the AFL-CIO on NLRB jurisdictional standards and other board doctrines have been presented to the board by memorandum or brief prepared and submitted by counsel.

At the request of the Executive Council and in connection with an extremely harmful ruling of the Internal Revenue Service, which would seriously jeopardize the tax exempt status of many labor organizations, the general counsel, after a conference with the IRS commissioner filed a comprehensive brief in opposition to this ruling, seeking its repeal or drastic modification. As a result, this ruling is now receiving serious reconsideration by the Internal Revenue Service.

Members of the general counsel's office have attended and participated in numerous conferences affecting the welfare of the federation with representatives of the various departments of the federal government and on behalf of the federation have met with representatives of state, county and local governments. The counsel's office has also held conferences with legal representatives from foreign governments and with legal representatives of the free trade union movement of Western Europe.

It has also served as counsel and advisor to the Conference of Secretary-Treasurers, and as such, has been in attendance and participated in all conferences of the organization.

The office has consulted with and advised, and to a varying extent, participated in state court litigation involving issues of fundamental importance to the AFL-CIO and to the trade union movement generally.

The general counsel has assisted the executive officers in handling matters concerning internal dispute situations that have arisen since the merger between affiliated organizations under both the AFL-CIO Constitution and the "no-raid" agreements. The staff of the counsel's office has also been called upon to

advise and assist the executive officers and members of the Executive Council in the consideration and interpretation of many problems that have arisen during the past two years in connection with the efforts of the federation to insure its freedom from any and all taints of corruption.

At the last convention, advisors representing the Executive Council were appointed to assist certain affiliated national and international organizations in complying with the Constitution, rules, regulations and directives of the federation relating to ethical practices. The counsel's office has worked with these advisors in their efforts to bring these organizations into complete compliance with the fundamental principles and policies of the federation respecting free and democratic trade unionism.

#### **Legal Work on Legislative Matters**

The portion of this report pertaining to the work of the Department of Legislation demonstrates the burden of legislative work undertaken during the past congressional sessions. The general counsel's office has assisted in reviewing, summarizing and analyzing, as well as in the amendatory drafting of legislative proposals affecting the trade union movement and the interests of the federation.

Statements for presentation to congressional committees have been prepared and edited and in some instances presented by the counsel's office.

During the past two years, the counsel's office has participated in the preparation of statements and testimony respecting legislative proposals dealing with labor reform legislation, including the Kennedy-Ives and the Kennedy-Ervin bills, and legislation providing for disclosure of information concerning welfare and pension plans as well as a plethora of other proposals.

The general counsel's office participated in a number of important court cases affecting unions and filed special or amicus curiae briefs in three cases—Taylor vs. McElroy; Local 1976 United Brotherhood of Carpenters and Joiners of America, AFL-CIO et al. v. National Labor Relations Board; San Diego Building Trades Council vs. Garmon.

### **The Library**

The Library of the AFL-CIO, since the 1957 Convention, has enlarged its activities in order to serve more effectively the ever-growing interest and needs of the labor movement.

One of the principal activities has been the adding of new books, pamphlets and miscellaneous material of service and interest to the officers and staff at headquarters, the affiliates of the AFL-CIO and their subordinate bodies.

The Library collection now numbers slightly over 26,000 volumes, including books and pamphlets, covering the general subject of labor in its broadest application. Among the collection are many rare and out-of-print editions.

The convention reports and proceedings of national and international unions, and of state bodies constitute a vital part of the Library and are used constantly. Publications of the International Confederation of Free Trade Unions, the International Labour Organization; United Nations documents and the annual reports of various federal government and state bureaus of labor are also available.

A Library Acquisitions Bulletin is issued bi-monthly, listing current books and publications, and is sent to all departments of the AFL-CIO.

#### **Wide Selection of Periodicals**

The Periodical Section receives over 850 publications monthly, including the journals of national and international unions, the constitutions of national and international unions and state bodies, weekly labor papers, leading periodicals published in the United States and foreign countries, law reviews published by various universities and industry and trade journals.

Many of these periodicals are channeled to various departments of the AFL-CIO as they are received for information and reference. A great number of these publications are kept on file as far back as 10 years for reference purposes.

The Information File is an important activity of the Library in recording and classifying the history-making events which occur in the labor movement from day to day. Current material and a wealth of historical data of the early and formative years of the labor movement in this country and abroad are available for research and study. This information is indexed in a separate catalog from the card catalog for books. The file is of great value to staff members of the AFL-CIO, to writers, and to graduate students engaged in research on the history of the labor movement, its policies and problems.

#### **Heavy Use of Facilities**

A daily service record is kept of all requests for information and of all persons using the Library. For this two-year period the total number of library services was 6,938. These services include the circulation of books, magazines, newspapers and pamphlets, reference assistance, and the use of the Library's resources.

A Picture File has recently been established. This has been made possible, in part, by a gift from a former labor newspaper editor of his own picture collection of labor leaders, past and present in this country and Great Britain. Also included are group pictures of the delegates attending many of the early conventions taken in various cities where the conventions were meeting—the earliest being the 1910 St. Louis, Mo. convention.

The Library maintains an inter-library loan policy with other libraries in the District of Columbia and in the various states,

which is of great help in locating material requested by the AFL-CIO staff and not in our collection.

The Trophy Section, located at the far end of the Library, is a source of much interest to visitors. This section contains a replica of the Samuel Gompers Monument located in Gompers Square, Washington, D. C., the personal library of Samuel Gompers and the mementos and awards of both Samuel Gompers and William Green.

Also on display are the trowels used by both President Eisenhower and President Meany in the cornerstone laying ceremonies of 1955.

The Guest Book records the names of 2,500 visitors during the past two years—a large number from many foreign countries.

Eloise Giles is in charge of the AFL-CIO Library.

Trade  
and  
Industrial



Union  
Departments

*In accordance with the Constitution, the Executive Council herewith transmits to the convention, without approval or disapproval, the following reports of the various constitutional departments of the AFL-CIO.*

## **Building and Construction Trades Department**

The Building and Construction Trades Department now provides its services to 594 local and 32 state Building and Construction Trades Councils as well as its 18 affiliated national and international unions.

To better assist these councils, the department in January 1958, appointed five U.S. regional directors, as well as a Western Canada director and a representative in Eastern Canada. This policy has been very successful and the directors have been very instrumental in helping solve many complex local problems such as geographic jurisdiction, non-affiliation of some crafts, and merger or consolidation of some councils.

A complete survey of all our councils has been made and recommendations for strengthening councils submitted. In line with these recommendations, the department has been re-issuing charters clearly defining jurisdiction mostly along county boundaries. An attempt is also being made to keep "open territory" at a minimum by extending policing jurisdiction and thus help combat non-union construction. The directors have also acted as trouble shooters in many other situations called to our attention by our affiliated unions or by the local council.

To keep our councils and affiliated unions informed of current events which vitally affect them, the department has continued publication of its monthly official organ, the Building and Construction Trades Bulletin, which has been well received. In addition, the department has retained the services of the Pearl

Agency to aid in disseminating wider information on the department's activities and to gain public support for its objectives.

Because of the increasing importance of developments in the legal, economic and legislative fields, the department has also established advisory committees on these subjects.

Another important action has been the adoption on Feb. 5, 1958, by the department of the following national Statement of Policy on working conditions:

"The Building and Construction Trades Department states, as its policy, the following declaration of principles and recommends strict adherence and cooperation by all segments of the Building and Construction Trades Industry.

1—The selection of craft foremen or craft general foremen over workmen of their respective crafts, shall be entirely the responsibility of the employer.

2—The welding torch is a tool of the trade having jurisdiction over the work being welded. Craftsmen using the welding torch shall perform any of the work of their trade, and shall work under the supervision of the craft foreman.

3—Workmen shall be at their regular place of work at the starting time and shall remain at their place of work until the regular quitting time.

4—There shall be no limit on production of workmen or restriction on the full use of proper tools or equipment and there shall not be any task or piece work.

5—Payment of excessive daily travel allowances or subsistence shall be discouraged.

6—Jurisdictional disputes shall be settled in accordance with the procedure established by the Building Trades Department of the AFL-CIO or in special cases as agreed and established by two or more international unions, without interruption of work or delay to the job.

7—So-called area practices, not a part of collective bargaining agreements, should not be recognized nor should they be enforced.

8—Slowdowns, forcing of overtime, spread work tactics, standby crews and featherbedding practices have been and are condemned.

9—Stewards shall be qualified workmen performing work of their craft. There shall be no non-working stewards.

10—There shall be no strikes, work stoppages, or lockouts during the processing of any grievances or disputes in accordance with the manner prescribed in the local or national agreement."

### **Economic Review and Outlook**

The construction industry shared the downturn which characterized the nation's economic activity during the second half of 1957 and the first half of 1958. It also made a major contribu-

tion to the recovery during the second half of 1958 and the first half of 1959.

Expenditures on construction have risen in each year since World War II and this was true in 1957 and 1958. Expenditures for alterations and repairs in both years were running at the annual rate of \$16 billion as compared to new construction of \$48 billion (1957) and \$49 billion (1958). Thus total construction expenditures were in the neighborhood of \$64 billion, which is about 14 percent of the nation's gross national product.

However, in terms of physical volume (expenditures adjusted for price changes), new construction activity in 1958 continued at about the level of 1956 and 1957, slightly below the peak year, 1955.

As a result of physical volume remaining the same and increases in productivity, employment by construction contractors declined to a monthly average of about 2,650,000 in 1958, continuing a downtrend which began in 1957. The annual rate of decrease since the 1956 peak was about 5 percent in both 1957 and 1958.

#### **Construction Outlook Bright**

However, the outlook is bright. Employment in May 1959 was 2,840,000 just slightly below the 1957 figure when the downward trend began. Most of this improvement in employment is due to a 29 percent increase in home building over last year. Housing starts are now running at the yearly rate of 1,366,000, an all-time high.

The wage picture shows that all trades recorded advances. As of Apr. 1, 1959 the average rate for union building tradesmen was \$3.40 an hour, according to a Bureau of Labor Statistics quarterly survey of seven building trades in 100 cities.

The department appointed a Research Advisory Committee from representatives of the affiliated unions to compile statistical data of interest and use to affiliates. The initial study covered 100 cities with details on hours of work, overtime rates, length of contract in addition to information on wage scales and employer payments to health and welfare funds, retirement funds, vacation funds and apprenticeship training funds. This initial study is now under review by the executive officers of the department's 18 affiliated international unions. It is the department's objective to compile such a study periodically which will prove of practical benefit to local building trades unions in collective bargaining.

#### ***Building Trades-Industrial Unions Work Jurisdictional Conflicts***

Since the department's last report significant progress has been made toward achieving a method for solution of the vexing

problem regarding jurisdictional work conflicts between building trades unions and industrial unions.

The AFL-CIO Executive Council's special committee worked out an agreement which was approved by the general presidents of the Building and Construction Trades Department on Feb. 4, 1958. The agreement was approved by most industrial unions affiliated with the Industrial Union Department. This agreement provides in essence as follows:

"There are two areas in which the jurisdictional lines between the building trades craft unions and the industrial unions are clear. New building construction, on the one hand, should be the work of the workers represented by the building trades craft unions; production and running maintenance work, on the other hand, should be the work of the workers represented by industrial unions. Between the two clear areas set forth above there is a doubtful area. In this doubtful area, decision should be made on the basis of established past practices on a plant, area or industry basis."

While no agreement has been reached as yet on a firm method of arbitration to settle disputes involving building trades unions and industrial unions, it was agreed by the committee that disputes which arise would be settled as follows:

"The AFL-CIO will place on its staff three (3) persons suggested by the Industrial Union Department and three (3) persons suggested by the Building and Construction Trades Department. These six (6) persons will be divided into three teams of two men—one from the Building and Construction Trades Department and one from the Industrial Union Department on each team.

"These teams will work under the direction of the President of



Members of two special teams discuss problems connected with investigating disputes under Building Trades-IUD agreement.

the AFL-CIO and will devote their full time to adjusting disputes between building trades unions and industrial unions in keeping with the policy stated above.

"Disputes that are not settled by the two-man teams will then be referred to a committee consisting of the president of the Building Trades Department, the director of the Industrial Union Department and one person representing the president of the AFL-CIO. In the event this three-man committee cannot settle the dispute, it will then be referred to the special committee established by the AFL-CIO Executive Council."

It is our understanding that since the adoption of the plan on Feb. 4, 1958 to July 1, 1959, a total of 140 cases were referred to President Meany's office. Of these 140 cases, 41 involved industrial unions not party to the agreement—36 United Steelworkers, 2 Woodworkers, 1 Packinghouse Workers, 2 Allied Industrial Workers. Thus, we find a total of 99 cases submitted for processing under the plan. Of these 99 cases, 51 were settled at steps 1, 2 or 3. Thirty-four (34) cases are currently pending before the first and second steps. Of these 34, six (6) are Canadian cases. There are 14 cases pending consideration at the third step. The following is a breakdown of the foregoing:

**February 4, 1958-July 1, 1959**

Total Cases .....	140	
IUD Unions Not Party...	41	(36 Steelworkers, 2 Woodworkers, 1 Packinghouse Workers, 2 Allied Ind. Workers)
TOTAL .....	99	
Settled at Steps 1, 2 or 3.	51	
Cases Pending 1st or 2nd Step .....	34	(6 are Canadian)
Cases Pending 3rd Step..	14	
	99	

We feel that these figures illustrate that progress has been made toward the solution of the work jurisdictional problem between building trades unions and industrial unions.

We would point out that efforts should be increased to have all industrial unions affiliated with the Industrial Union Department, become parties to the plan. This is particularly true of the United Steelworkers.

We would also urge that procedures be worked out so that cases referred to the third step could be handled and settled in a more expeditious manner than they have heretofore.

We would also urge that serious thought be given to the implementation of the no-raiding provision of the AFL-CIO Constitution which would outlaw industrial union contract provisions

that restrict or limit an industrial plant employer from contracting out to a construction contractor, construction alteration or repair work.

### **Safety**

There has been a fairly steady decline in construction injury rates, "reflecting increased safety activity in the industry" according to the U.S. Department of Labor. Nevertheless, accidents in construction work happen three times as often as in manufacturing and are three times as severe.

Year by year, our affiliated unions have made efforts to reduce injuries and to impress upon their members the importance of safety. Many of our local and state councils have instituted notable safety programs.

The department, in addition to promoting and publicizing various successful safety programs, has been urging the state governments to hold educational and exploratory conferences on safety.

For example, the department suggested, supported and encouraged the calling of a Safety Conference in New York State, as a result of which statistics on construction injuries in the state are now being compiled for the first time. At the AFL-CIO Conference on Safety, department representatives again urged the state conference approach. As a result of the action of one of the delegates, a conference on safety is scheduled for Maryland.

### **Apprenticeship**

The largest group of skilled workers in the American labor force today are employed in the building trades. They constitute almost a third of all the skilled workers in the country. Our building and construction trade unions know that one of their chief strengths lies in the fact that they are able to supply quickly the needed number of trained building tradesmen. They realize that apprenticeship training under a formal apprenticeship agreement is the best way to acquire the all-around proficiency of a skilled building trades worker.

To promote this sound training, unions together with contractor organizations devote considerable time and effort to apprenticeship activities. For example, today over 60 percent of all registered apprentices are training for construction occupations. Apprenticeship programs and standards have been adopted for 18 construction trades. There are now over 3,900 joint apprenticeship committees in the construction industry organized on the local level.

Of concern to the department, its affiliates and all of Labor is the National Defense Education Act of 1958 and the proposed regulations of the U.S. Office of Education for the administration of Title VIII of that act. We have cooperated with the

Metal Trades Department in an effort to find some solution to this problem. A fuller discussion of this problem is contained in the section entitled, Apprenticeship & Vocational Education.

The department requests that the AFL-CIO lend its support to our efforts to secure modification of the proposed regulations and if necessary to seek appropriate legislation.

### **National Joint Board**

On Apr. 1, 1959, the National Joint Board for the Settlement of Jurisdictional Disputes in the Building and Construction Industry commenced its twelfth year of operations. It is universally acknowledged by contractor groups, government officials and building trades leaders that the work of the joint board demonstrates conclusively that even the most vexing problems in labor-management relations can best be solved by private bodies conversant with the problems.

As in the past, we continue to seek improvements in the operation of the joint board procedure, particularly those improvements which would achieve a more expeditious settlement of disputes as they arise.

It might be of interest to note that the Constitution of the department requires that all jurisdictional disputes between or among affiliated international building and construction trades unions be settled in accordance with the joint board plan.

The National Joint Board rendered 410 job decisions during 1958 as compared to 527 job decisions rendered in 1957. The number of decisions rendered in 1956 was 354. Thus, we find an increase of 56 job decisions in 1958 over those in 1956. We believe it is significant that the number of decisions dropped by 117 during 1958 from those in 1957.

Richard J. Mitchell of Pittsburgh, Pa., who was named chairman of the joint board on June 6, 1957, succeeding Dr. John T. Dunlop of Harvard University, continues to serve as chairman. Both contractor and labor members of the joint board feel that Mitchell as chairman has been doing an excellent job in this difficult task.

### **Legislation**

During the past two years the department has devoted more attention to legislative matters than to any other single subject matter. The department has established a working Legislative Committee consisting of the legislative representatives of the 18 affiliated international unions. This committee meets periodically in order to carry out the legislative program adopted by the department's Executive Council. The department Legislative Committee has also worked closely with and under the direction and guidance of Andrew J. Biemiller, director of the AFL-CIO

Department of Legislation on legislative matters which concern all of organized labor.

On March 3-6, 1958 the department held its fourth National Legislative Conference. There were approximately 2,700 delegates from nearly every state in the union present. The department held its fifth National Legislative Conference on March 2-5, 1959. More than 3,000 registered delegates were present including delegates from our newest and largest state, Alaska.

#### **9-Point Legislative Program**

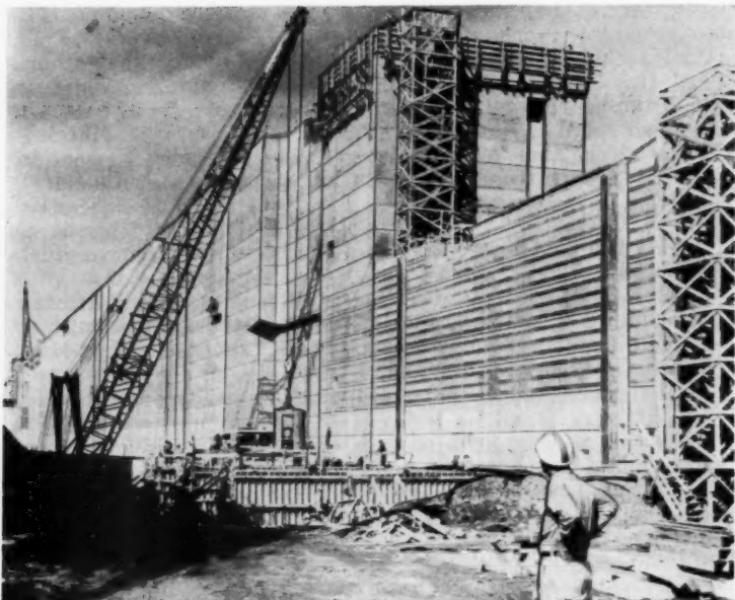
During the past two years the department's legislative objectives were to:

- 1—Obtain enactment of Kennedy Reporting and Disclosure Act including Building Trades' Taft-Hartley amendments.
- 2—Obtain comprehensive corrective amendments to Taft-Hartley, including repeal of Section 14 (b).
- 3—Modernize and broaden scope of Davis-Bacon Prevailing Wage Act.
- 4—Obtain passage of a comprehensive housing bill, including realistic slum clearance and public housing program.
- 5—Obtain passage of a comprehensive airport construction bill.
- 6—Obtain passage of a comprehensive school aid and construction bill.
- 7—Obtain passage of a hospital construction bill which will eliminate shortage of hospital facilities.
- 8—Obtain passage of a bill to broaden and liberalize unemployment compensation.
- 9—Obtain passage of a bill to increase minimum wages and extend coverage of Fair Labor Standards Act.

As regards the Kennedy Reporting and Disclosure Act, the department position has been in accord with and has followed the position of the AFL-CIO Executive Council, as was our position in 1958 in seeking passage of the Kennedy-Ives Bill, particularly Title VI. We also extended our efforts this year to obtain passage of Kennedy-Ervin Bill, S 1555, as it was reported from the Senate Labor Committee.

While the department, like the AFL-CIO Executive Council, is dissatisfied with many features of the Senate passed Kennedy-Ervin Bill due to the amendments adopted on the floor of the Senate, we are pleased to note that the bill, S 1555 as finally adopted by the Senate Feb. 29, 1959, includes the following three objectives sought by this department:

- 1—Clarifies the legality of employer contributions to joint trust funds for apprenticeship and other training purposes.
- 2—Clarifies the legality of employer contributions to joint trust funds for pooled vacation benefits.
- 3—Validates the legality of building and construction labor agreements in the following respects:



**Stable labor-management relations helped speed completion of St. Lawrence Seaway & Power Development project.**

a—Revises the unfair labor practice sections of the act to authorize pre-hire agreements.

b—Permits the writing of union security clauses which provide for seven-day period, after which the employee is required to join the union, instead of the present 30-day period.

c—Establishes the legality of clauses providing for non-discriminatory exclusive union referral systems.

d—Establishes the permissibility of clauses which specify minimum training, apprenticeship, or experience qualification for employment, or which provide for priority in opportunities for employment based upon length of service with the employer, in the industry or in the particular geographic area.

As regards Taft-Hartley, the department policy has been to exert its efforts to seek from Congress major revisions to the act as soon as labor reform legislation has been adopted. These efforts include three major proposals as follows:

1—Amendment of the secondary boycott provisions of the Taft-Hartley Act to reverse the rule in the Denver Building Trades Case so that union building tradesmen would no longer be compelled to work side by side on the same jobs with non-union building tradesmen.

2—Repeal of Section 14 (b) of the act, so as to provide for a uniform rule on union security in each of the various states.

3—Amendment of the act to eliminate the mandatory injunction provision.

#### Davis-Bacon Proposals

We have extended our efforts in the past several years to obtain legislation which would modernize and broaden the scope of the Davis-Bacon Act. There is pending in Congress the Fogarty Bill, HR 4362 and a companion bill in the Senate S 1119 sponsored by Sen. Hubert H. Humphrey. These bills have four major objectives:

1—Broaden the coverage of the present act by adding to the present coverage all non-farm construction in excess of \$25,000 in value, at least one-third of which is financed by federal funds, loans, payments, grants, or contributions and all federally insured or guaranteed loans for the purpose of financing any non-farm construction program other than housing developments of less than ten units.

2—The term "prevailing wage" modernized—The Secretary of Labor would be required to pre-determine and government contractors would be required to pay not only the prevailing hourly rate as presently specified in the Davis-Bacon Act but also prevailing contractor payments to: health and welfare funds; retirement funds; vacation funds; apprenticeship funds.

3—Hours of work and overtime put on a prevailing basis. Under this particular provision of the amendments, the Secretary of Labor would be required to pre-determine and government contractors would be required to pay the prevailing overtime rate for each construction craft on a daily and weekly basis including prevailing overtime practice on Saturdays, Sundays and holidays. In addition, as a minimum requirement contractors would be required to pay not less than time and one-half for hours worked over eight per day, over 40 hours per week, over five consecutive days and on Saturdays, Sundays and the holidays.

4—Enforcement centralized and construction appeals board created—Under this particular amendment, the Secretary of Labor would have authority to make uniform enforcement procedures for all federal government contracting agencies; direct power (including the use of subpoena) to investigate violations, and authority to apply violation penalties, including authority to black list.

In addition HR 4362 provides for the creation of a Construction Appeals Board appointed by the President consisting of one representative from the public, one from contractors, and one from labor. This three-man independent board would be required to speedily review and issue final decisions on appeal from the secretary's wage pre-determinations and the secretary's findings of violations.

These four major amendments are necessary so that federal

money will not be used to destroy prevailing wages, hours of work and working conditions and to eliminate the present bidding advantage of unfair contractors in those areas where union building trades conditions are in fact the prevailing practice.

The department has been unsuccessful in its efforts to obtain hearings from either the Senate or House Labor committees on our bill to modernize the Davis-Bacon Act. The department would urge not only the cooperation and help of the AFL-CIO Department of Legislation, but would respectfully request that the AFL-CIO Executive Council go on record endorsing the enactment of a Davis-Bacon modernization bill, especially one which would achieve the above enumerated objectives.

In addition to our efforts to secure corrective amendments to the Taft-Hartley Act and to the Davis-Bacon Act, the department has, in cooperation with the AFL-CIO, worked to secure enactment of those bills which vitally affect building tradesmen, such as the housing bill, airport construction, school construction, hospital construction, community facilities, water pollution and depressed areas. Other efforts have been exerted to secure needed changes in unemployment compensation and minimum wage.

### ***Legal Activities***

The Building and Construction Trades Department has recognized that its constituent units are faced with complex legal problems which require a coordinated approach. Accordingly, the president of the department, upon the authorization of the Executive Council, has appointed a Legal Advisory Committee composed of the general counsels of the affiliated national and international unions. Louis Sherman of Washington, D. C., has been retained to serve as chairman of the Legal Advisory Committee.

The department has endeavored to develop more uniform positions on common legal problems, to coordinate litigation, to intervene in National Labor Relations Board and Court cases of general interest and to secure professional legal advice in the formulation and presentation of its legislative program.

The object of these legal activities has been to assist and to cooperate with the affiliates in their resolution of their own problems. The department is pleased to report that substantial progress has been made in the development of a genuine spirit of cooperation in the legal field.

There follows a description of some of the legal subjects which have been handled since the 1957 Convention.

#### **Brown-Olds**

In the latter part of 1957, the National Labor Relations Board reinstated the Brown-Olds remedy. The board has taken the position that if presented with an illegal hiring practice not con-

sistent with the Taft-Hartley Act, it will order employer and union alike to reimburse to all employees covered by such practice the amount of initiation fees, dues and other charges which they may have paid into the union from a date six months prior to the filing of the unfair labor practice charge.

The department has opposed the Brown-Olds remedy, but pending the final outcome of litigation on this point, it has sought to take action and make recommendations which would aid its affiliates and their local unions to protect their treasuries.

**Extension of Date of Application of the Brown-Olds Remedy—** As a result of conferences with Jerome D. Fenton, then general counsel of the National Labor Relations Board, the department was successful in securing three extensions of the date upon which the Brown-Olds remedy would be applied. The original date of Jan. 1, 1958 was extended to June 1, 1958, then to Sept. 1 and finally, to Nov. 1, 1958.

**Advice to Affiliates—**On Feb. 20, 1958, the president of the department sent a communication to the general presidents of the affiliated national and international unions advising that appropriate steps be taken to communicate with the many thousands of local unions involved to apprise them of the legal situation. The letter noted that many local unions had already brought their union security agreements and practices into compliance with law but urged that those who had not taken such action should do so at this time. This communication, and the response accorded it, were substantial factors in securing subsequent extensions of the Brown-Olds remedy date.

#### **Legal Advisory Council**

The department then requested that the general counsel of the board clarify certain issues which had developed under the Mountain Pacific case in regard to compliance with the board's views on lawful hiring practices. Questions were formulated by the Legal Advisory Committee and others, which were presented to the general counsel. The general counsel of the board made a statement comprising 46 pages of mimeographed material discussing specific questions involved in the establishment of union hiring halls and referral systems. This statement was printed promptly by the department and transmitted by the president to all affiliates and to all Building Trades Councils.

A meeting of the Legal Advisory Committee was held for the purpose of exchanging views as to the NLRB general counsel's statement of June 26, 1958. Each affiliate, on the basis of the results of this meeting and the legal advice of its own general counsel, formulated and presented its position on union hiring halls and referral systems to its own locals.

In May 1959 the department participated in a case involving the Operating Engineers in Seattle. The employer contended that the union did not have a right to strike for an exclusive union

referral system even though such system met all the legal requirements of the Mountain Pacific case. The NLRB general counsel denied the employer's request for the issuance of a complaint and refused to apply for an injunction against the union.

#### **Mountain Pacific**

In the Mountain Pacific case, decided Apr. 1, 1958, the NLRB laid down certain strict rules for the establishment of valid exclusive union referral systems. The legal question of the validity of these rules was brought to the U.S. Court of Appeals for the Ninth Circuit in this case which involves locals of the International Hod Carriers, Building and Common Laborers' Union. At the request of this union and with the consent of the other parties, the department intervened, filed a brief and presented oral argument to the court on Mar. 5, 1959.

#### **Chavez v. Sargent**

The department intervened and presented oral argument to the Supreme Court of California in this case which held county "right-to-work" ordinances invalid. The request for such intervention was made by the defendant Sargent and Painters and Decorators Local Union 1157.

The decision in this case was deemed important because if such county "right-to-work" ordinances had been declared valid a means would have been established of avoiding state-wide votes against "right-to-work" referendums.

#### **Brown and Root**

This case remains an object lesson in the lack of applicability of NLRB election and unfair labor practice proceedings to protect employees in the building and construction industry.

It will be recalled that this was a four year dam project (Bull Shoals Dam) which theoretically should be appropriate for Wagner Act procedures. Work started on the project in June 1947. The Joint Council (of Fort Smith, Little Rock, Ark. and Springfield, Mo.) filed a petition for a representation election in March 1948, more than 11 years ago. Although the council was certified in August 1948 and all available unfair labor practice procedures of the act were utilized, the company's violations of the act have gone without remedy to this date.

On Mar. 24, 1953 the U.S. Court of Appeals for the Eighth Circuit rendered its decision enforcing the NLRB order against the company for its violations of the act and requiring it to make back pay awards in favor of 75 employees.

Complex litigation has been maintained with respect to the accounting and other issues involved in these back-pay awards. Reference to some of the proceedings with respect to back pay will be found illuminating:

On Jan. 4, 1957, the regional director for the 15th Region served an 80-page back pay specification together with a 39-page appendix. On Mar. 18, 1957, the company filed an answer.

On Mar. 21, 1957, the regional director served an amendment to back pay specification.

On Apr. 23, 1957, the general counsel filed motion to strike certain portions of company's answer.

On May 11, 1957, the company filed opposition to motion.

On May 23, 27, 1957, the trial examiner held hearing.

On June 18, 1957, the trial examiner issued ruling granting motion of general counsel.

On July 9, 1957, the company filed first amended answer to the Back Pay Specification.

On Apr. 8, 1958, the regional director, after "having duly considered the matter" concluded that the controversy could not be resolved without a formal proceeding and set the case down for hearing.

On Aug. 5, 1958, hearing before trial examiner commenced.

On Mar. 19, 1959, the general counsel filed brief with trial examiner which contains the following statement: "The strike began on Dec. 3, 1948 and lasted until Dec. 14, 1949 which was the date the respondents began reinstating some of the returning strikers. Consequently, the claimants were testifying to and attempting to recall events that occurred eight to ten years prior to this hearing."

The department is continuing to press for diligent completion of each step in this proceeding but is advised that the procedures available in this matter can postpone the final completion of this case for a number of years.

It appears from the record that, in addition to the special circumstances in this case arising out of the fact that it is in the building and construction industry, there is substantial ground for the public concern that cumbersome procedures of the board are delaying the completion of cases within a reasonable period of time.

Six years having now elapsed since the decision of the U.S. Court of Appeals for the Eighth Circuit it would seem as if the back pay case should long since have been completed rather than being in process.

#### **Detroit Association of Plumbing Contractors**

This case arose as the result of a complaint issued by a regional director of the board alleging that respondents violated sections 8(a) (1) and (2) of the Taft-Hartley Act by permitting, causing, or inducing employees classified as "supervisors" to join the union, attend and participate in general meetings of the union, participate and vote in elections and become officers of the union.

This case raises a question of general importance to all building and construction trades unions since it is a common practice for so-called "supervisors" to have the full rights of a union member. The specific issue in the case is whether such activities of supervisors in the building and construction industry are in

themselves inconsistent with the act or whether the board must not prove that the circumstances of the particular case show an abuse of power by such supervisors.

The department intervened at the request of the United Association and the president of the department presented evidence at the hearing before the trial examiner in Detroit. A legal brief has also been filed with the trial examiner.

#### **United Steelworkers of America**

This case involves a secondary boycott by the United Steelworkers Union of building and construction contractors at the properties of the Tennessee Coal and Iron Company in Birmingham, Ala. The direct pressures applied by the Steelworkers against the building and construction employes occasioned the section 8(b) (4) (A) charges which were filed against the Steelworkers union. The regional director of the board has issued a complaint which was the subject of a hearing before a trial examiner.

The department participated in the presentation of this case and, on behalf of the Building and Construction Trades Council of Jefferson County, Ala., has filed a joint legal brief with the UA and the IBEW. It is made clear in this brief that the charging parties are requesting an even handed application of the law to all parties, including the Steelworkers union.

#### **Taxability of Travelling and Room and Board Expenses of Building and Construction Tradesmen While Away from Home**

The president of the department presented testimony on this subject, together with President Schoemann of the United Association, before a subcommittee of the Government Operations Committee of the House of Representatives. As a result of this testimony, the Commissioner of Internal Revenue issued a memorandum on July 18, 1958 to all regional commissioners and district directors of the service advising them to follow a favorable ruling which had been formulated but not issued two years previously.

The commissioner's memorandum has aided in meeting some of the tax problems which exist in this area and which are the subject of continuing attention by the department. Copies of the commissioner's memorandum and other materials were printed and distributed by the department to all affiliates and to all local and state building and construction councils.

Legal assistance in the preparation and presentation of the department's testimony was made available through the office of the chairman of the legal advisory committee.

#### **Labor Legislation**

The president of the department gave comprehensive testimony on the building and construction trades aspects of the Kennedy-

Ives Bill in a hearing before the Senate Subcommittee on Labor May 16, 1958. Similar testimony on the Kennedy-Ervin bill was presented to the Senate Subcommittee by the president on Feb. 5, 1959 and a full statement on this bill and related bills was submitted by him to the Joint Subcommittee on Labor-Management Reform Legislation of the House Committee on Education and Labor June 11, 1959.

Legal assistance was provided in the preparation and analyses of proposed bills, drafting and other legislative work.

## Industrial Union Department

The Industrial Union Department now has 67 affiliated unions with a total industrial worker membership of 6.6 million.

In keeping with its constitution, membership in the department has been kept "open to all national and international unions and organizing committees which are organized in whole or part on an industrial basis."

Following the recent merger of the Insurance Workers of America and the Insurance Agents International Union into the Insurance Workers International Union, the combined organization has affiliated with the department for its entire membership. Previously, the Insurance Workers of America had been affiliated. While this change does not affect the total number of affiliates, the officers of the department welcome this latest addition to IUD ranks.

The number of IUD affiliates has decreased by four since the department's second annual convention in October 1957. Three of these are no longer in membership because of expulsion from the AFL-CIO. The fourth union withdrew voluntarily from membership in the department.

### Recession Hit Industrial Workers

The recession of 1958 created serious unemployment among industrial workers who were, in the main, the chief victims of the business decline. While industrial production has since passed all previous peaks, serious joblessness continues in the manufacturing industries.

Automation and other aspects of the new technology have resulted in an ever increasing productivity among industrial workers. The IUD has actively worked with its affiliates to solve collective bargaining and other problems arising from the changing character of the nation's industry.

Throughout the recession and continuing into the present recovery, industrial unions have faced an increasingly "tough" attitude from corporate management in collective bargaining. Despite this, gains were made even during the recession.

Because of union contracts, wage cuts were rare in industry during the recession. Once again, during this period, industrial



**IUD President Walter P. Reuther testifies at McClellan committee hearings on UAW strike at anti-labor Kohler Co.**

union contracts proved to be a major stabilizing force in the American economy.

In line with constitutional requirements, the IUD Executive Board has met at least annually and the Executive Committee has held at least two regular meetings each year, as well as special meetings when required. In addition to acting upon matters of internal business, both the Executive Board and the Executive Committee have acted upon policy matters affecting department affiliates.

Department policies have been carried out under direction of IUD President Walter P. Reuther. Financial activities have been conducted under direction of Secretary-Treasurer James B. Carey. Staff and regular department activities have been directed and coordinated by Director Albert Whitehouse. The president, secretary-treasurer, and the director have also served as the IUD's chief spokesmen—representing the views of industrial unions before congressional committees and in the presentation of public statements.

These officers, plus the Department's 14 Vice Presidents, constitute the Executive Committee. Vice Presidents are: I. W. Abel, J. A. Beirne, L. S. Buckmaster, Joseph Curran, Gordon Freeman, A. F. Hartung, Albert J. Hayes, O. A. Knight, Paul L. Phillips, William Pollack, Frank Rosenblum, Peter T. Schoemann, Louis Stulberg, and Arnold Zander.

#### **Department Activities Expanded**

In his report to the IUD's Second Constitutional Convention, President Reuther called for expansion of department activities so that a service center would be created to aid and assist affiliates with problems arising from collective bargaining. Action was taken immediately thereafter to create such a center.

IUD's Research and Education Section was split into two groups, each under a section director. A Social Security Section was established and a director was added to the staff. An industrial engineer was retained as a staff specialist and work in this area was expanded. A specialist on farm problems, resources and cooperatives was also added to the staff. A full-time legislative representative also was added to work on problems of significance to the IUD and its affiliates.

Expansion now is completed and the IUD has gained a reputation as an active department which provides valuable services to its affiliates and effectively represents the views of industrial labor inside the AFL-CIO and before the general public.

A program of action for the department has been presented by the director and is being implemented in the work of the department. This program has as its aim "the creation of an even more effective industrial union forum, providing direct services to our affiliates, carrying out needed and useful studies, making technical, industry and joint committee meetings meaningful, providing an increased volume of information, and generally representing the interests of industrial unions within the AFL-CIO."

#### **Organizing Literature Code**

Organizational rivalry has sometimes led to the distribution of literature harmful to the labor movement as well as the unions immediately concerned. To deal with this problem, the IUD last summer established a Literature Review Committee which reached agreement on language and principles of a code of practices dealing with organizational literature.

At its meeting in Denver, Colo., in July 1958, the IUD Executive Committee adopted a "Code Dealing With Certain Organizational Practices." This code provides that no IUD affiliate "should adopt policies, or engage in practices, deliberately designed to undermine public confidence in the trade union movement and to impede the organization of unorganized workers. . . ."

The code provides that complaints not adjusted between the unions immediately concerned in an organizing drive, shall be referred to the IUD director. In the event that the director and the Literature Committee are unable to obtain compliance, the matter is referred to the Executive Committee. Continuing efforts are being made to win full acceptance of this code.

Since the last AFL-CIO convention, the IUD has conducted a total of 92 meetings. The majority of these have been directly concerned with collective bargaining problems and relationships.

#### **Work Jurisdiction Problems**

At the AFL-CIO Executive Council meeting in Miami in February 1958, agreement was reached by the IUD, the Building and Construction Trades Department, and the AFL-CIO

upon a formula to promote settlement of disputes arising in the area of work jurisdiction. This "Miami Agreement" was based upon modification of a formula offered by President Meany in June 1957.

Copies of the agreement were circulated to all IUD affiliates. Fifty-nine of the IUD affiliates concurred in the agreement and became signators to it. The agreement provided for three 2-man teams, each composed of a representative of the industrial unions and the building trades unions. In accordance with the agreement, the IUD president designated three representatives of the industrial unions to serve on the teams. These teams have worked with good success to resolve disputes as they arise in the field.

Under the agreement's terms, the IUD director serves with the president of the Building Trades and a representative of President Meany's office in seeking to resolve disputes unsettled in the field. Disputes that cannot be resolved at this second step are referred to a special committee composed chiefly of Executive Council members, the IUD director, and the BCTD president.

A total of 140 work jurisdiction cases had been handled as of July 1. Of these, 41 could not be processed since they involved unions not signators to the "Miami Agreement." A total of 51 cases had been settled in the first, second or third steps. Fourteen more cases had been referred to the third step and were awaiting disposition at that level. Another 28 cases were awaiting investigation at the first level or were being held until further information could be obtained. Six cases involving disputes in Canada had been referred to the third level for a decision on procedure.

In some cases, even where no resolution of a dispute could be obtained, the procedure has been effective in bringing the parties together and in establishing a working relationship for the handling of future disputes.

#### **Metal Trades Dispute**

As a result of efforts by the Metal Trades Department to organize in competition with the jurisdiction of established industrial unions, a complaint was registered by the IUD and the United Steelworkers of America with the AFL-CIO Executive Council.

A council subcommittee was established to hear the disputants after the complaint was referred to the council's 1958 summer meeting. The IUD legal section and individual affiliated unions presented cases before hearings conducted by the subcommittee on Oct. 29-30 and Dec. 15, 1958.

This matter is still before the Executive Council. The IUD will continue to represent the interests of affiliated unions in this case. It has continued to take the position that the organizing jurisdictions lie properly within the international unions and

that no subordinate body of the AFL-CIO has a right to organize in competition with the affiliated unions. In connection with its understanding of the rights and obligations of the trades and industrial departments, the IUD has scrupulously refrained from carrying out any direct organizing activity.

### **Organizational Disputes and No-Raid Agreements**

Since the 1957 AFL-CIO convention, the department has processed 11 cases under its Organizational Disputes Agreement. Of these, nine cases were referred to the impartial arbitrator for final decision. As of July 1, one case was pending before the umpire.

The IUD has continued to work closely with the office of the AFL-CIO secretary-treasurer in the handling of disputes coming under the No-Raid Agreement. Between the 1957 AFL-CIO convention and July 1, 1959, 78 cases had been processed. Of these, 35 had been referred to the impartial umpire.

### **Major Forum Activities**

The IUD has conducted four major conferences in the period since the AFL-CIO's Second Constitutional Convention. Each of these was designed to present to the public the viewpoint of industrial labor on problems affecting IUD affiliates, as well as to provide a body of knowledge and viewpoint in the specific area.

An IUD conference on automation was widely participated in by affiliated unions. This conference received excellent coverage from the press. Proceedings were published in pamphlet form and are still being circulated.

The IUD's Second Annual Industrial Relations Conference was held in New York in June 1958. Some 700 delegates participated in this meeting which also received wide publicity. Theme of the conference was "The Union Shop and the Public Welfare." Proceedings of the conference were published and circulated as an aid to the fight against "right-to-work" laws. In this connection, an address by John I. Snyder, president of U.S. Industries, was published as a separate pamphlet and over 150,000 copies have since been distributed.

A conference on "Labor and Science in a Changing World," held in Washington in February 1959, was attended by some 300 delegates. This conference also was widely reported. Independent unions of scientific and engineering unions participated in this meeting, as well as affiliated unions having a direct interest in the area.

The IUD's Third Annual Industrial Relations Conference was attended by over 1,100 delegates. This conference, which took place in Philadelphia in June 1959, had the general theme, "Collective Bargaining Today." It provided a forum of great importance and permitted industrial labor's leadership to enunciate its views concerning developments in this key area of labor-

management relationships. The conference was widely covered by the press, radio and TV. Proceedings now are being published and will be given as wide a circulation as possible.

#### **Joint Committees and Technical Meetings**

Joint committee meetings of IUD affiliates having contracts with common employers or in the same sub-industry have been continued with increased frequency over the past two years. A total of 22 such meetings have taken place.

Intensive preparation covering the economics of the company or industry concerned is involved in each meeting. Each meeting also involves an exchange of experience and information. The increasing demand for these meetings gives indication of their value.

The IUD has also conducted a number of technical committee meetings involving union personnel working directly in such specialized fields as travel, industrial engineering, social security, staff training, white collar problems, and arbitration. It has conducted conferences in the fields of industrial engineering and arbitration.

#### **Publications and Public Relations**

The Publications and Public Relations Section has continued to issue the three regular publications of the department, the "IUD Bulletin," "Digest," and "Fact Sheet." The Bulletin and Digest now go to the staffs of affiliated unions, interested local union leadership, clergy, government personnel, schools, libraries and other important "opinion makers." The "Fact Sheet" circulates to a more limited list, including affiliated union staffs.

The section has published a series of four folders entitled, "More Than Wages," which has circulated over a million copies. Its pamphlet, "The Case for the Union Shop," has circulated several hundred thousand copies and was widely used in the "right-to-work" fight. The same is true of a folder entitled, "Morally Sound—Religious Leaders View the Union Shop."

Other pamphlets prepared by the IUD and widely circulated since the 1957 convention include: "Southern Labor Story;" "Labor, Big Business and Inflation," prepared by the IUD Research Section; "A Taft-Hartley Case Study;" "Priorities for Peace and Survival," an address by President Reuther; "A Time for Anger," an address by Director Whitehouse; "By Intelligence and By Faith," an address by President Meany; and "Our Stake in Human Rights," a folder dealing with Human Rights Day.

The section has supplied direct aid of a substantial nature in strike situations, in negotiations, and other situations, in addition to consultative and incidental aid to numerous other affiliates. It has issued releases and statements geared to the work of the department and has obtained coverage in the popular and labor press. It has also supplied aid to other sections, prepared

speech material, reports and aided in the preparation of testimony.

It is also working closely with the UAW Washington radio section in matters affecting the IUD. It also works with three IUD exhibits which are used at union conventions and certain non-union functions. The IUD, for the past two years, has had a booth at the Union Label Department Show, a public relations function which has proved eminently worthwhile.

### **Research**

The IUD Research Section has continued to enlarge its work with the department's joint committees, and much of its time has been utilized in the preparation of materials and in the conduct of meetings of these industrial and company collective bargaining groups.

The section has served as coordinator and service center for unions bargaining with the General Electric and Westinghouse Corporations. A similar function now is being carried on for unions in the potash mining industry, pumps and compressors, railway equipment, machine tool industry. Whirlpool Corporation, Koehring Corporation, Armour Company Fertilizer Division, and many others. Work on behalf of such groups has included analysis of collective bargaining agreements, welfare plans, wage data, and other information required for bargaining.

The section has worked closely with a special committee established to deal with problems of rising costs and over-formalized procedures in arbitration. It has held frank off-the-record discussions with key arbitrators and further meetings are planned with recognized arbitrators' organizations, as well as with the Federal Mediation Service.

IUD Research also is working on problems arising from the great increase in technical and professional workers. It has held meetings with a committee composed of representatives of affiliates working in the field and has instituted a program of action as a result of these discussions.

The impact of defense procurement policies upon the welfare of thousands of industrial workers has resulted in the establishment of a special committee to work on these problems. The IUD Research Section is working closely with this committee. A preliminary meeting of the IUD committee on Defense Procurement has been held with the assistant Secretary of Defense in charge of procurement.

Special studies on inflation, stock options, severance pay, and collective bargaining provisions in 137 major industrial contracts have been prepared and published as a result of IUD research activity.

In addition, the IUD Research Section has aided unions in direct negotiations. It has provided information and prepared materials for almost all affiliates as part of its day-by-day service

activities. It has also prepared material for, and participated in, collective bargaining and economic training courses conducted both by the IUD Education Section and affiliated unions.

### ***Education***

Some 200 staff representatives from 30 affiliated unions have taken part in staff training institutes initiated by the IUD Education Section since the 1957 AFL-CIO convention.

Courses have been offered in Taft-Hartley and NLRB procedures; wages, productivity, and labor costs; job evaluation; arbitration; and in legislation and the legislative process.

The IUD Education Section is also preparing to offer staff training courses in union communications; health, welfare and pension bargaining; SUB and employment security; and work measurements and incentives.

Teaching materials have been supplied to a number of affiliated unions and, on request, to universities specializing in industrial relations.

Teaching assistance has been supplied to a number of unions engaged in staff training activity. Special consultation has been provided to unions without education departments, or seeking to undertake experimental programs. A number of training courses have been especially tailored to the needs of specific international unions.

The Education Section has also experimented with a set of readings in "Labor Problems: Past and Present"—a course which has been used in union schools this past summer and which is being tried in correspondence study. Presently, the IUD Education Section is preparing a conference on pre-retirement education and the use of leisure, in an effort to help bring together experiences in this field.

The IUD Education Section has also conducted several meetings of the department's Education Technical Committee. It has helped in the preparation of testimony for congressional hearings and has prepared and circulated other materials related to its field.

### ***Legislative***

The IUD Legislative Section has worked closely with the AFL-CIO Department of Legislation in carrying out the over-all legislative program of the AFL-CIO. It has represented the IUD on several AFL-CIO subcommittees and has represented the interests of industrial labor in its work with Congress.

The IUD has presented testimony on 16 issues in the sessions of Congress since the start of 1958. These include: area redevelopment, atomic radiation, civil rights, community facilities, fair trade, education, fair labor standards, housing, migratory housing, social security, unemployment compensation, surplus food, economic growth, and others. Testimony has been presented by the IUD's officers and department staff specialists.

Consultative services have been provided to affiliated unions as requested. Direct services have also been provided, including contacts with congressmen and teaching aid in union institutes.

The IUD has worked closely with the Joint Minimum Wage Committee in seeking revision of the Fair Labor Standards Act, and has provided special services in this connection for IUD affiliates having a special interest in this area. It has performed similar work in connection with area redevelopment legislation, migratory labor, and unemployment compensation. It has co-operated closely with the AFL-CIO in the fight to win fair labor legislation.

The department has issued several statements on legislative issues. It has taken an especially active part in the fight to prevent the enactment of HR 3—a bill introduced by Rep. Howard W. Smith that would curb the Supreme Court and permit state laws to override federal statutes unless otherwise specified. It played an important part in the fight to win an adequate disclosure bill on welfare funds.

The IUD Legislative Section worked closely with COPE during the 1958 election campaign, carrying out specific field assignments. It has also worked closely with such organizations as the National Consumers League, the Civil Liberties Clearing House, and with women's organizations.

An IUD Legislative Workshop was held following the election. This workshop was particularly effective both in helping to co-ordinate department work with its affiliates and with the federation's legislative department.

Legislative materials of various kinds have been circulated by the IUD to affiliates. As a result of its intensified work in this area, the IUD has become known on Capitol Hill as an effective voice for labor.

In addition to its legislative work, the IUD has continued to maintain and make new contacts in government agencies. This work has permitted the department to serve affiliates in special problems involving these agencies.

### **Social Security**

The IUD Social Security Section has been engaged in collective bargaining and legislative activities and in litigation involving the security of workers against the hazards of old age, illness, and unemployment.

The section has worked in close cooperation with other sections of the IUD, and with the AFL-CIO Department of Social Security, and has helped in the preparation of the AFL-CIO materials.

The section has worked on the preparation of IUD testimony in the social security field, and has provided consultative and other services to congressmen as well as IUD affiliates. It has also prepared technical materials on social security matters.

It participated in the preparation of materials used in the drive to improve the federal old age and survivors and disability provisions of the Social Security Act.

It has contributed to the fight for the Forand bill which would make health protection available to social security beneficiaries.

It has been active in connection with the drive for federal minimum benefit and duration standards for state unemployment compensation laws.

The section has given collective bargaining assistance, including direct participation in negotiations, to affiliates engaged in seeking to obtain or improve pension, insurance, medical care, and SUB protection for their members.

An analysis of both the General Electric and Westinghouse savings and security plans was prepared by the IUD Social Security Section and given wide circulation.

The section has worked with interested affiliates in court suits and in legislative activities in Indiana, California, and Ohio involving the right of workers to receive SUB benefits without suffering denial or reduction of their state unemployment compensation benefits.

### ***Industrial Engineering***

The Industrial Engineering Section has provided direct aid to 14 affiliated unions since it began operations in January 1958. It has provided assistance on a wide variety of collective bargaining problems, in arbitration cases, contract negotiations, review and analysis of wage determination plans, and in the training of local union leadership in industrial engineering problems.

The section has also participated in staff training schools conducted by affiliated unions and universities. It has participated in IUD staff training work in its field. It has prepared materials in connection with such work and has also provided consultative services to a number of unions on special problems.

In addition to these services, the section has held meetings of the IUD's Industrial Engineering Technical Committee and has carried out the planning and preparation of a broader conference on industrial engineering. The section currently is preparing a handbook to assist affiliates in collective bargaining problems arising from the application of industrial engineering in industry.

### ***Community Activities***

The department has remained active in community activities and is currently represented on the AFL-CIO Community Services Committee and non-labor welfare groups by IUD Special Representative John Brophy.

The department has participated in several important community activities meetings and conferences. Its special representative in this area has spoken before church, labor-manage-

ment meetings, social action conferences, and other groups on the role of labor's community services activities.

#### **Legal Section**

The IUD Legal Section has been in the leadership of the fight against repressive anti-labor legislation. It played a leading role in the fight for a fair labor bill in both the 85th and 86th Congress. It prepared and sent to all affiliates a detailed analysis of the Kennedy-Ives Bill during the 85th Congress.

The Legal Section also testified in Ohio against a bill that would have badly weakened union organization in the state. It handled, on behalf of the IUD, legal activities relating to SUB litigation and legislation. It has continued to work on various legal problems affecting industrial unions and the department, including the Department of Defense Industrial Security Program. It has also provided direct legal aid to a number of affiliated unions.

The Legal Section sent to all IUD affiliates an analysis of requirements imposed by passage of the welfare fund disclosure bill adopted by the 85th Congress. It has worked on litigation involving the taxability of strike benefits.

The Legal Section has continued the practice of assisting affiliates upon request in litigation involving questions of general importance to industrial unions. The cases in which the department has provided such assistance involved issues concerning union liability to members for loss of their jobs as a result of an unsuccessful strike, the enforceability of arbitration awards under Section 301 of the Taft-Hartley Act, the employer's duty under the NLRA to supply information, the authority of the board to reverse a trial examiner's findings in discharge cases, and the legality of picketing by a union which has been decertified following a strike.

It has held a conference of lawyers representing IUD affiliates at which the important problem of strike damage suits was discussed. It has also worked on problems of procurement and arbitration, together with the IUD Director and the Department's Research Section.

#### **Resources and Agriculture Section**

The IUD agriculture and resources consultant has worked with affiliated unions on problems in this field. This has included such matters as surplus food, farm labor, agricultural legislation, migratory housing, rural electrification, water and forest conservation.

This section has represented the IUD in such organizations as Energy Research Associates and the Electric Consumers Information Committee. It aided materially in the planning which resulted in the Theodore Roosevelt Conservation Conference, held in Denver during the fall of 1958.

The section has represented the labor view before farm or-

ganizations. It has worked closely with the National Advisory Committee on Farm Labor and the National Council on Agricultural Life. It has also provided technical assistance on farm and resource problems to members of Congress and has served as a technical adviser to IUD legislative representatives.

The IUD has also named a technical committee to work on collective bargaining problems arising in the important new field of atomic energy and radiation hazards.

The past two years has shown clearly where the IUD can be of greatest value to the merged labor movement. The department intends to concentrate on expanded services to its affiliates, on broadening its present activities and in continuing its work of representing industrial workers within the AFL-CIO and to the general public.

Since its formation, the Industrial Union Department has scrupulously filed financial reports and transcripts of its Executive Board meetings with the Executive Officers of the AFL-CIO, in accordance with Article XII, Section 4 of the AFL-CIO Constitution.

## **Maritime Trades Department**

The Maritime Trades Department has been successful, since the last convention, in maintaining a continuing program designed to keep abreast of the rapidly changing conditions which so vitally affect its affiliated organizations. Chartered by the AFL in 1946 and continued by the new Constitution of the AFL-CIO, the MTD has, in its comparatively short history, taken its proper place alongside the other AFL-CIO departments in rendering the greatest possible service to seagoing and shoreside members employed in the maritime industry.

Beset by an array of problems which have posed constant danger to maritime labor, the department has sought to defend and promote the interests of workers in the industry through inter-union cooperation and through a program of information directed toward Congress and government agencies.

The department has maintained and even expanded the machinery needed to service its affiliates, and is constantly seeking new avenues of approach in its efforts to defend the rights and interests of its member organizations. That this program has met with success is evidenced by the interest shown by the national and international unions which have become affiliated with the department since its last convention two years ago. These include the Marine Engineers' Beneficial Association; United Brotherhood of Carpenters and Joiners of America; International Hod Carriers, Building and Common Laborers Union of America; International Brotherhood of Electrical Workers; Office Employes International Union; United Cement, Lime and Gypsum Workers International Union; United Association of

Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada; Distillery, Rectifying and Wine Workers International Union; and the International Association of Fire Fighters.

The affiliation of these organizations reflects a growth of almost 100 percent in the last two years for the Maritime Trades Department. These new affiliates now join with the International Brotherhood of Longshoremen; American Federation of Grain Millers; American Federation of Technical Engineers; The Commercial Telegraphers' Union (Radio Operators); International Brotherhood of Firemen and Oilers; American Federation of State, County and Municipal Employees; International Organization of Operating Engineers; International Brotherhood of Boilermakers; International Organization of Masters, Mates and Pilots, and the Seafarers' International Union of North America in formulating the future policies and activities of the MTD.

In pursuing its many activities, the Maritime Trades Department, with its headquarters located in the AFL-CIO Building, has been most fortunate in having at its disposal the cooperation, counsel and assistance of the president and secretary-treasurer of the AFL-CIO, and many of the staff members assigned to the various departments.

### **Port Councils**

The Maritime Trades Department has met with great success in accomplishing one of the objectives listed in its last convention report—the establishment of new Maritime Port Councils. Two years ago, the MTD had less than half a dozen port councils in active operation. Today, the MTD—and its affiliated unions—has gained vast new strength with 20 vigorous councils in action, with headquarters in the following key ports:

Norfolk, Va.; Milwaukee, Wis.; Buffalo, N. Y.; Portland, Oreg.; Wilmington, Calif.; River Rouge, Mich.; Baltimore, Md.; Houston, Tex.; New Orleans, La.; Seattle, Wash.; Philadelphia, Pa.; Duluth, Minn.; St. Louis, Mo.; San Francisco, Calif.; Brooklyn, N. Y.; Toledo, O.; Cleveland, O.; Miami, Fla.; Honolulu, Hawaii; and Santurce, P. R.

The port councils, on which each affiliated MTD union is represented, make it possible to develop the closest possible cooperation and unity where it counts the most—with the membership.

### **Maritime Register**

The Maritime Trades Department is endeavoring constantly to explain and dramatize the urgent need for strengthening our nation's shipping industry instead of weakening it, as present government policies are doing. In this effort, we have sought to get our story to members of Congress, to leaders in industry and government and to the public itself.

More than two years ago, the department, in compliance with a convention resolution, began publication of a monthly organ, "The Maritime Register."

This official publication has developed into a vital instrument for setting forth MTD policies and programs.

The Register is distributed to all members of Congress, officials in government, leaders in the maritime industry and officers of all MTD-affiliated union and port councils. In addition, the presidents and secretary-treasurers of all international unions affiliated with the AFL-CIO receive the publication.

Basic aim of the Register is to report and interpret policies of the department. The publication also endeavors to strengthen the bonds of communication and interest in the "family" of MTD-affiliated unions. The Register from time to time features an MTD affiliate in a word-and-photo salute which helps to promote understanding and appreciation of our various unions. Likewise, the publication regularly features illustrated articles on various Port Maritime Councils. In this way, our affiliates and our port councils are able to share information on mutual problems and achievements.

The department is gratified over the enthusiasm with which the Register has been received, not only by its affiliated unions but by leaders in the maritime industry, members of Congress, and universities and libraries throughout the country.

The MTD hopes to continue to improve and strengthen its official publication, recognizing in it a valuable instrument for serving the interests of workers in maritime both ashore and afloat.

#### Voice of MTD

One of the oldest and continuous activities engaged in by the department has been the weekly "Voice of MTD" radio broadcast beamed to seamen in all parts of the world. This unique and valuable service consists of radiotelegraph and voice news broadcasts sent out weekly by Press Wireless, Inc. to seamen in Europe and North America, East Coast of South America, West Coast of South America, Australia and the Northwest Pacific. This schedule has been most successful in keeping our union members afloat and abroad informed of industry, union and general affairs as these events occur.

#### Saint Lawrence Seaway

Development of the St. Lawrence Seaway and the creation of the nation's "fourth seacoast" has been a bright spot in the maritime labor picture.

Long before the Seaway was completed, the Maritime Trades Department was busy planning for the impact it would have on the maritime job situation in the Great Lakes area.

The department calculated the Seaway would eventually mean

some 20,000 or more new jobs on the Lakes and in the bustling ports. To successfully meet the organizing challenge and opportunity this boom would present, the MTD more than a year before the Seaway's completion called a conference of all its affiliated unions.

This conference mapped plans and established policies to promote a Great Lakes organizing drive. The key to the plans was a program of strongest possible cooperation between all MTD affiliates. To aid in maintaining this high level of mutual assistance, a coordinator was designated.

The MTD coordinator has been on duty in Detroit for almost two years. As a result of our affiliates' long-range planning and early preparation, they are today in a strong position to serve the workers in new jobs being born of the Seaway's activities and to offer improved service to long-time union members in the region.

Of immense strategic importance in our joint efforts in the Great Lakes area are the Port Maritime Councils serving the various cities which the Seaway has transformed into full-fledged "ocean" ports.

From their position of strength and preparedness, MTD affiliates look toward the growth and development of the Seaway and Great Lakes ports with confidence.

### **Labor Legislation**

With respect to legislation and the actions of the executive branch of the government, the MTD has acted in behalf of its affiliated internationals, and has coordinated their own activities.

The AFL-CIO maintains a well organized and highly competent Department of Legislation for the purpose of supporting legislation for the promotion of their general welfare, and for the best interests of working people. This department has co-operated with the Department of Legislation to the fullest extent, and has at all times supported the announced policies of the federation.

### **Maritime Legislation**

Because of competition of foreign shipping companies, with their substandard wages and working conditions, it is impossible to preserve an American maritime industry without government aid. Ever since 1936 it has been the policy of Congress to maintain a Merchant Marine adequate to our economy and national defense. In the implementation of that policy, Congress has established and maintained a subsidy program, which is designed to enable American shipping companies to maintain American wages and safety standards, and still compete with foreigners in our foreign trade.

The subsidy is in two forms—a construction subsidy, which

is intended to pay the difference between the cost of building a ship in our American yards, and the cost in foreign competitive yards; an operating subsidy, which is intended to enable American Flag companies to pay American wages, and other operating costs and still compete with the foreign companies.

The department has supported the subsidy program, and has worked with other segments of the industry to bring about its extension to new American companies, to the Great Lakes, to the American Flag tanker industry, and to tramp bulk carriers.

Even with the subsidy, American companies have not been able to maintain their position in our foreign trade. While our national defense requires that American ships carry 50 percent of our foreign commerce they are today carrying less than 25 percent and the percentage is steadily falling. In the past decade our Merchant Marine has dwindled steadily.

### **Dual Rates**

Most of the maritime commerce of the world is organized in conferences, which are exempted from our anti-trust laws, and which therefore are permitted to fix uniform rates for each trade route. In some of these conferences so-called "dual rates" have developed. Thus the conference lines establish a lower rate for shippers who deal exclusively with the conference companies, than for other shippers who contract with nonconference lines.

Last year the U.S. Supreme Court held that the dual rate system, if used as a predatory device, is illegal. This decision caused great consternation in the industry. Congress quickly passed an interim law waiving the existing dual rate pending investigation.

Three Congressional investigations of dual rates are now proceeding, one by the House Merchant Marine Committee, one by the Senate Interstate and Foreign Commerce Committee, and another by the House Judiciary Committee whose chairman appears to be hostile to the dual rate system. These investigations will determine the future of our industry and the department is following them all with great interest.

### **Coastwise and Inter-Coastal Shipping**

Under our laws, all shipping between any two continental American ports is reserved for American Flag ships. Notwithstanding this fact, and the often announced policy of Congress that we must preserve and maintain an adequate coastwise and intercoastal fleet, this segment of our industry is being rapidly and ruthlessly destroyed. The destruction is being accomplished by the railroads by selective rate cutting, with the aid of decisions of the Interstate Commerce Commission.

On the Pacific Coast we have only three ships in coastwise operation; on the East Coast only 12, and all of the coastal

operators are struggling desperately for survival. These 15 ships are all that is left of a coastal fleet which 10 years ago consisted of 350 ships employing more than 12,000 seamen.

The department has denounced the railroads and the ICC and will continue to use every power at its disposal to support coastwise shippers.

### **American Flag Tankers**

If an independent oil producer in Texas wants to ship his oil to New Jersey, under our coastwise laws, he must do so on an American Flag ship paying American wages.

Our Defense Department has repeatedly stated that our coastwise tanker fleet is inadequate for purposes of defense. But the government allows the American tanker fleet to be destroyed by giants of the oil industry who ship practically all of their foreign produced oil on foreign flag ships paying substandard wages.

The department is supporting legislation to end these evils and promote a healthy tanker fleet.

### **Marine Hospitals**

Operating behind an economy curtain, the Budget Bureau is weakening the Marine Hospital system which provides the seaman with medical service. The department will continue to fight for preservation of these marine hospitals which are so essential to the fourth arm of our defense.

### **Military Sea Transportation Service**

The MSTS, sustained by the taxpayer, is the largest shipper in the history of the world. Last year it shipped more than 600,000 passengers, much more than all of our private shipping companies together. Its movements of military and non-military cargo are colossal.

By its control over the allocation of passengers and cargo, the MSTS is the czar of our maritime industry. The maritime unions believe that this vast intrusion by the government into the water transportation business is contrary to our principles of private enterprise, is exorbitantly costly, is inefficient and wasteful, and ought to be terminated. The MTD and its affiliates are dedicated to that objective.

### **Runaway Flags**

All major oil companies operate large tanker fleets. If one of these companies decides that it doesn't want to operate one or more of its tankers under the American Flag, it resorts to a tricky device. It organizes a company which it completely owns under the laws of Liberia. It then goes through the regular fiction of selling its ship to its Liberian company. The ship is never moved. The ship never goes to Liberia. The ship continues to be operated by this company, continues to carry oil,

and in all other respects remains unchanged. But by this superficial trick, this company avoids American taxes on its profits from the ship, evades American labor laws, escapes the burden of American safety standards, and is permitted to sail the ship with a foreign crew in competition with American Flag operators.

The International Transport Federation is carrying on a worldwide war against this evil which is subverting the worldwide maritime industry. The MTD has supported and will continue to support the ITF movement.

### **Cargo Preference Laws**

In an effort to help the American Merchant Marine, Congress passed cargo preference laws, commonly referred to as the 50-50 Act. It provides that on all cargo given to our allies by the government, at least 50 percent must be carried on American Flag ships.

These cargoes, which we donate to sustain the free world, comprise about 6 percent of our foreign trade, so that only 3 percent of our foreign trade is reserved for American Flag ships. Nevertheless, this law has been under continuous attack by foreign maritime powers, the farm lobby, the Department of Agriculture, and other special groups which would welcome the weakening of our American Merchant Marine. MTD will continue to cooperate with other spokesmen for the maritime industry to uphold and extend the cargo preference law.

### **Safety At Sea**

Frequently, horrible disasters remind us that civilized nations have done very little to protect the lives and health of seamen. In this matter our nation has established the highest standards and has done the most to enforce them. But a great new area of our country has been opened up to the maritime industry, namely the Great Lakes States and the ports on the St. Lawrence Seaway.

Last winter, the SS Carl D. Bradley owned by U.S. Steel, sank in a storm on Lake Michigan, and of her crew of 35 only two were saved. The Coast Guard has been investigating the cause of the disaster ever since, but has made no report.

We were appalled to discover that the Coast Guard will reach its conclusions about the cause without even trying to locate or inspect the sunken ship.

The news stories of the sinking and the so-called rescue operation convinces us that there is no agency on the Great Lakes which is prepared, either with personnel or equipment, to maintain maximum safety for current operations in the Great Lakes area, and certainly not to meet the needs of a rapidly expanding industry.

The MTD has dedicated itself to work for adequate facilities, and has urged a Congressional investigation.

The above-mentioned activities are some of the more important phases of the Maritime Trades Department's endeavors. However, the general and routine work of the department is carried on throughout the year in the most expeditious manner in keeping with the practices of sound administration and procedures. The department's location in Washington, D. C., makes possible a closer liaison with many national and international unions, the other departments of the AFL-CIO and the various divisions of our parent organization.

This report can only touch on the more important phases of the department's activities. However, the fundamental principles underlying the aims and purposes of the MTD are virtually self-evident. The mission of the MTD, today, as always, is to channel the combined strength of all the seagoing and shoreside unions into the greatest possible single force geared to cope with the multitude of problems facing maritime workers; to function with the greatest efficiency in carrying out the purposes of mutual aid and assistance to all its member unions, and to the trade union movement.



**Joint fight by Maritime Union and Seafarers on "runaways" led to pact setting up machinery to resolve inter-union disputes.**

## AFL-CIO Maritime Committee

In this report the AFL-CIO Maritime Committee has selected to cover the highest priority issues confronting the merchant marine.

An important development of the past year has been the formation of the United Maritime Union's Legislative Committee.

On Apr. 2, 1959, the AFL-CIO Maritime Committee, the Washington office of the Seafarers' International Union of North America and the Maritime Trades Department of the AFL-CIO joined forces to establish this joint legislative committee under the co-chairmanship of Joseph E. Curran, president of the National Maritime Union and Paul Hall, president of the Seafarers' International Union of North America.

This report on maritime legislative activities not only represents the work of the AFL-CIO Maritime Committee, but it reflects the combined views of the organizations participating in the United Maritime Union's Legislative Committee.

### ***U. S. Merchant Marine***

At the last convention, we reported that as of July 1, 1957, our merchant marine consisted of 1,154 seagoing ships of 1,000 gross tons and over, manned by 60,700 seamen. As of May 1, 1959, almost two years later, our merchant marine consisted of 950 seagoing ships, manned by 50,752 seamen.

Our American Flag Merchant Marine carried a smaller percentage of our waterborne foreign trade during the first 10 months of last year (1958) than for any period during the past 37 years. The percentage of our waterborne commerce that is carried in our flag ships is dwindling each year.

During 1958, the last year for which figures were available, we carried less than 15 percent of our waterborne import-export commerce in our own ships. This is a far cry from the "substantial portion" that is the declared policy of the United States.

### ***U. S. Shipbuilding***

World shipbuilding continued at a high level despite the fact that overtonnage is one of the major problems confronting the world maritime industry. On Jan. 1, 1959, 231 major shipyards in 28 countries had under construction and/or on order a total of 2,038 oceangoing merchant type ships, 1,000 gross tons and over, aggregating 42,076,000 deadweight tons. By type, these ships consisted of 1,067 freight type ships, 840 tankers, 105 ore carriers and 26 passenger or passenger-cargo ships.

The four leading shipbuilding nations are the United Kingdom, West Germany, Japan and Sweden. The United Kingdom has

orders for 356 ships, aggregating 6,784,000 deadweight tons or 16.12 percent of the world total shipbuilding orders deadweight tonnage-wise.

West Germany has orders for 358 ships, aggregating 6,764,000 deadweight tons or 16.07 percent of the world total.

Japan has orders for 198 ships, aggregating 6,387,000 deadweight tons or 15.2 percent of the world total.

Sweden has order for 206 ships, aggregating 4,882,000 deadweight tons or 11.6 percent of the world total.

The United States is in eighth place tonnage-wise and tenth place number-wise in orders for new ship construction. On Jan. 1, 1959, our private shipyards had orders for a total of 67 ships of 1,000 gross tons and over, aggregating some 2,235,000 deadweight tons. Thus, our shipyards held slightly more than 5 percent of the total world-wide shipbuilding orders.

Of the new construction orders for 67 ships—this does not include ship conversions—in our private shipyards, two ships, aggregating 32,800 deadweight tons are for government account. The two ships consisted of the N/S Savannah 10,000 deadweight tons and 13,000 gross tons and a T-5 tanker of 22,600 deadweight tons. Sixty-five ships, aggregating 2,202,200 deadweight tons are for private account.

Of the 65 ships for private account, 46, aggregating 1,995,400 deadweight tons are tankers and 19, aggregating 207,000 deadweight tons are freight type ships. Of the 46 tankers, 15 aggregating 736,000 deadweight tons are for foreign flag registration. Thirteen tankers, aggregating 644,000 deadweight tons are for registration in Liberia and two, aggregating 92,000 deadweight tons are for registration in Panama.

Our shipbuilding program, as administered by this Administration, is not adequate to maintain an American Flag Merchant Marine as declared necessary by the Merchant Marine Act of 1936. Every one of the leading maritime nations, tonnage-wise, as of July 1, 1958, has increased their fleets since 1948 except the United States.

Instead of increasing, our fleet has decreased. Plus this, less than 10 percent of our fleet was built in 1948 or later. Despite the fact that we are faced with block obsolescence, the Bureau of the Budget has continually reduced the budget request by the Maritime Administration for funds to replace our subsidized fleet.

We shall continue to exert pressure for a long-range shipbuilding program in conformity with the intent of the Merchant Marine Act of 1936.

## **50-50 Provision**

Public Law 664, 83rd Congress—commonly known as the Cargo Preference Act—amended Section 901 of the Merchant Marine Act of 1936 by adding a section (b) which held that, in

the case of government cargoes, or government-aided cargoes, "the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 percentum of the gross tonnage of such equipment, material or commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) which may be transported on ocean vessels shall be transported on privately-owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographical areas. . . ."

The "at least 50 per centum" has been interpreted by the Administration to mean that no more than 50 percentum of the cargo shall be transported in American flag ships.

During this session of Congress, Rep. Edward A. Garmatz introduced legislation which would amend Section 901 (b) and clarify the intent of Congress and make it clear that United States-flag vessels shall carry more than the "50 percentum" limitation imposed by this Administration.

The amendment stated in part that: "If flag vessels of such foreign nations (the recipient nation) are not available at fair and reasonable rates for such vessels, any tonnage in excess of 50 percentum of such gross tonnage also shall be carried on privately-owned United States-flag commercial vessels. . . ."

The Administration opposes this type legislation.

We support this type legislation because we do not believe in discriminating against American citizens and legitimate American interest.

The whole Cargo Preference Act needs revision to:

1—Place responsibility in the Maritime Administration for administration as opposed to separate agencies.

2—Require all government agencies to work in a positive manner to build the merchant marine.

3—Eliminate loopholes which have been developed by anti-U.S. merchant marine forces in non-maritime United States agencies.

### ***Coastal-Intercoastal Shipping***

Our coastwise and intercoastal fleets are being driven from the seas. In the last 10 years, more than 350 ships have been driven out of these trades, with a loss of approximately 12,000 jobs for seamen.

Today there are only 15 coastwise ships, three on the West Coast and 12 on the East Coast. Our coastal industry has been destroyed by American railroad companies with the aid of decisions of the Interstate Commerce Commission. Railroad companies engage in selective rate wars until their competitors are destroyed, then they boost their rates with ICC approval.

For example, newsprint is the principal cargo of coastwise lines on the Pacific Coast. While getting rate boosts in excess of 158 percent in the last few years, West Coast railroads have reduced the rate for newsprint on the Pacific Coast below the actual cost of carrying it. Thus, other parts of the country are compelled to subsidize the rail war against the shipping companies.

The AFL-CIO Maritime Committee's position is reflected by the presentation of Paul Hall, president of the Seafarers' International Union of North America and co-chairman of the United Maritime Union's Legislative Committee in testimony before the Senate Interstate and Foreign Commerce Committee. This testimony exposed to the public and the Congress the facts about coastal and intercoastal shipping.

This committee in cooperation with management is seeking ways and means to help solve the problems faced by our coastwise and intercoastal shipping.

### **Marine Hospitals**

We have continued in cooperation with the Labor-Management Maritime Committee the fight to prevent the Eisenhower Administration, via the Bureau of the Budget, from eliminating the marine hospitals.

Last year we intercepted a directive by the Bureau of the Budget that was intended to start the elimination of the marine hospitals. We called this to the attention of Congress and showed them that if the Bureau of the Budget was allowed to continue its present course it would in the very near future close all of the Public Health Service hospitals.

During the appropriation hearings last year, Congress was informed that the public health hospitals were rapidly approaching the stage where they were close to giving substandard medical care. The Senate Appropriations Committee responded by directing in their committee report:

"The Public Health Service, the principal federal agency dealing with the health needs of our people and responsible for giving leadership in all areas which will improve our health status, should set the example in the operation of its hospitals. The committee will, therefore, expect the 1960 budget to provide a comprehensive plan for overcoming the identified deficiencies in the operation of these hospitals. . . ."

### **Labor Legislation**

We have opposed any anti-labor legislation in this Congress. We believe there are more than enough laws at present, if enforced, to get rid of crooks in unions. The atmosphere created by the propaganda campaign against labor is not conducive to sound constructive labor legislation.

Joseph E. Curran, president of the National Maritime Union, and co-chairman, United Maritime Unions' Legislative Commit-

tee, testified before the House Labor Committee and stated that, "The bill S 1555, that passed the Senate which is representative of the other bills being considered, provides the means for reducing unions to mere record-keeping agencies and debating societies.

"It can be used to strip elected union officials of any ability to provide leadership. This bill, as it stands, is a threat to American workers and to constructive responsible relations between labor and management."

### **Foreign Language Education for Seamen**

Because of their vocation, merchant seamen travel between the United States and foreign countries throughout the world. Wherever their ship goes in these foreign countries, they face a language barrier with the citizens of that country. It is in their interest, as well as in the interest of the United States, that they be able to cross the language barrier.

As "ambassadors-at-large" for the United States, merchant seamen are a vital contact as citizens of the United States with the citizens of the foreign countries.

We feel that the teaching of foreign languages to Americans will do much to alleviate this feeling which foreigners have for Americans. It will help Americans better understand the foreigner and his reaction to Americans and our policies. Since merchant seamen are constantly in contact with foreign citizens, certainly every possible effort should be made to have them learn foreign languages which are used in the ports of call to which they go.

We are working with management through the Senate Labor and Public Welfare Committee looking toward the introduction of legislation that will provide for the teaching of foreign languages to merchant seamen.

### **Codification and Revision of Maritime Laws**

We have over a long period of time worked for the codification and revision of all maritime laws. Our maritime laws are a conglomeration that have been enacted since the beginning of our country. The latest major maritime laws passed were in 1936, over 20 years ago.

Sen. Warren G. Magnuson, chairman of the Senate Interstate and Foreign Commerce Committee, has said that recent research studies and hearings "have made it increasingly apparent that one of our greatest needs is for a consolidation of all of our maritime laws into a single statute."

We will cooperate fully with Sen. Magnuson in an effort to accomplish this task during the 86th Congress.

One of the primary objectives to be accomplished in this effort is the return of the Maritime Administration as an arm of Con-

gress. This will be necessary before we can get a positive and vigorous administration of our maritime policy. It has become abundantly clear that only Congress can get these policies administered in the interest of the people.

We shall continue, as we have in the past, to fight for maritime policies which conform with the intent contained in the Merchant Marine Act of 1936. In this fight we shall join forces with the farsighted representatives and senators in the U.S. Congress. We hope to eventually convert the American shipowners to supporting their American Flag Merchant Marine.

Merchant seamen are entitled to the \$200 and \$300 exemptions provided for residents of the United States returning from abroad. Except for his immediate personal effects, this right is now denied him, however, where they retain employment aboard a ship in the foreign service.

We are working in cooperation with management, Congress and the Bureau of Customs to amend the custom regulations to permit merchant seamen the same exemptions as other residents (tourists) returning from abroad.

### ***Seamen's Wages***

This year we supported legislation that would bring merchant seamen under the provision of the Fair Labor Standards Act.

In testimony before the Senate Labor and Public Welfare Committee we proved that the inclusion of merchant seamen under the Fair Labor Standards Act would not constitute an undue burden to the industry. All American vessels on the high seas and the Great Lakes and most inland waterways craft now pay in excess of \$1.25 per hour. Such extension would, however, provide seamen the security and protection of a wage floor.

The application of time and one-half after 40 hours would constitute no undue burden to the industry. The coverage to seamen would extend the minimum wage and working standards common with all other American workers.

The primary beneficiaries of the extension of S 1046 to seamen will be the non-union seamen employed aboard the crafts in the harbors, bays and the inland waterways. Many of these work for less than \$1.00 an hour. In most cases they work in excess of the 40 hour week.

### ***Transfer Foreign***

Our maritime laws specifically state that our nation shall maintain an adequate American Flag Merchant Marine owned, operated and manned by United States citizens.

The Eisenhower Administration is continuing to deliberately violate the intent of the Merchant Marine Act of 1936 and our other maritime laws. The Administration is doing this by its

continued fostering and encouraging the transfer of ships to the flags of Liberia, Panama and Honduras.

They maintain that our national defense needs are adequately protected by the requirement that these so-called "effective control" ships shall be 51 percent American-owned and that the shipowners should pledge to make them available during a national emergency.

Last year (1958) there were nine seagoing-type ships 1,000 gross tons and over, of 71,927 gross tons and 96,007 deadweight tons transferred from U.S. to foreign flags. Thirty-seven of these runaways applied for redocumentation under the U.S. flag from July 1, 1957 to June 19, 1959. As of June 19, 1959, 20 of these ships had been redocumented under the U.S. flag.

This shifting back and forth clearly demonstrates that our merchant marine acts are being administered by these shipowners for their own selfish purposes. These shipowners have no interest in our nation or our merchant marine.

In 1948 the country of Liberia was listed as having no ships. In 1958, Liberia is listed as the second largest maritime nation, in terms of deadweight tons—965 ships, aggregating 16,457,000 deadweight tons.

The Panamanian flag had 436 ships, aggregating 4,139,800 deadweight tons in 1948 flying its flag. In 1958, there were 563 ships, aggregating 6,670,000 deadweight tons registered under the Panamanian flag.

In every way possible, we have continued to show that the runaway fleets are a threat not only to our merchant marine but also the merchant fleets of all maritime nations. Shipowners operating under these flags of convenience pay only small token taxes to the runaway flag nations, have extremely low manning costs, and little, if any, safety standards costs. Our observations of the dangers created by these "runaway" fleets are fully understood by shipping circles in other maritime nations.

Our American flag tankers fleet and our independent oil producing industry are the most affected by these runaways. The independent producers in Texas and Oklahoma must ship their oil to the East Coast on American flag ships which pay American wages and observe American safety standards. The big oil companies—Standard Oil, Gulf, Socony—who produce in foreign lands, import their oil on foreign flag ships which pay less than 20 percent of American wages.

As a result, the independent producers and the American flag tankers are put out of business.

Legislation was introduced during this session of Congress that would, if enacted, require a high tariff on oil imported into this country on foreign flag ships.

This committee, in cooperation with management, is attempting to find ways to save our American flag merchant marine.

## **International Conferences**

We have participated in the preparation of position papers to be used by our government at the Radio Conference in Geneva this August and the Safety of Life at Sea Convention in London during May, 1960.

We have continually urged that the government take the position of raising the world standards to closer conform with our own safety standards.

The government has also been urged to take the position of requiring an inspection on the ships that fly the flags of countries that do not subscribe to at least the minimum safety standards as set forth in the Conference of 1960, before they are allowed to enter U.S. ports.

The committee will be represented in the Safety of Life at Sea meetings to make sure that substantial safety regulations are raised up closer to ours, instead of our regulations being lowered.

The State Department at the request of a number of European countries—namely, the United Kingdom, Belgium, Denmark, France, Italy, The Netherlands, and the Federal Republic of Germany—agreed to participate in discussions pertaining to our Merchant Marine. The discussions took place in Washington, D. C. during the week of June 8, 1959.

These discussions were the result of mounting criticism by these European countries against U. S. Merchant Marine policies.

From their very inception, both maritime labor and management, objected to the holding of these talks on the grounds that our maritime policies were our own business and that these European nations were only interested in eliminating American Flag Merchant Marine.

Maritime labor, nevertheless, with maritime management, participated preliminarily with the government in the consideration of U.S. position papers on certain questions affecting the American Merchant Marine, which the Europeans wanted to discuss.

The State Department then excluded industry representatives from participating in the conferences—even as observers.

The State Department cannot formulate or carry out programs affecting our merchant marine without the full participation of labor and management, because they do not understand the role of this American Flag Merchant Marine to world peace trade and our domestic economy.

We must continue to press on all fronts for proper representation of labor and management where industry problems are being considered or discussed by State Department representatives.

This is one area in which labor and management should have

full-time personnel, working for common principles to protect and promote American-flag shipping.

### **Dual Rates**

Most American steamship lines operating in essential trade routes to and from the United States belong to what is known as steamship conferences. These conferences set uniform freight rates to be charged by all its members, foreign as well as American.

There are some open rated commodities including bulk commodities on which the conferences do not attempt to establish the rate. The companies operate as common carriers maintaining regular sailings regardless of cargo offerings. The companies have devised, with the consent of the government, a system known as the dual-rate system. This is a tieing arrangement whereby the shippers who sign the agreement receive a lower rate by agreeing to ship exclusively by conference lines.

In May 1958 the Supreme Court handed down a decision which threw some doubt on the right of steamship conferences in the American import and export trades to continue conference dual rate systems. In August 1958 Congress passed a law making it possible for the conferences to continue their dual rate contracts until June 30, 1960.

In the meantime, several congressional committees started a study of the dual rate system and the steamship conferences. The legislation that results from these congressional studies will determine the future of the industry.

We have asked for permission to present our views before these congressional committees.

After consideration and study we have come to the conclusion that if the American Flag Merchant Marine is to continue on the high seas and if our commerce is to continue at a reasonable level in the foreign trades, we need a system that will accomplish the following:

- 1—Encourage and promote the commerce of the United States.
- 2—Promote the American Flag Merchant Marine.
- 3—Provide regular dependable service.
- 4—Assure a fair, stable and equitable uniform rate structure.

The present dual rate system has been helpful in some trades. However, it has not generally lent itself to fully accomplish the foregoing aims.

We are therefore recommending that Congress give the steamship conferences legal authority to set the freight rates on all commodities. A single rate that would be charged by all carriers—conference and non-conference members.

This type of a system would be more simple, direct and would accomplish the desired results enumerated above.

## Metal Trades Department

The past two years have been a period of substantial further activity and progress by the Metal Trades Department. The efforts and interest of the department have continued to be directed so as to best serve the mutual aims and purposes of its affiliated international unions.

There has been a noticeable growth in the number of workers in industrial plants represented by the unions working together through local Metal Trades Councils chartered by this department.

Since the time of the last reports, the number of unions affiliated with the department has remained constant, except for the dropping of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, etc., as an affiliate, in accordance with the actions and direction of the AFL-CIO. Up to the time of this report, none of the former CIO metal-working unions has affiliated with the department.

Four new local Metal Trades Councils have been chartered during the past two years. These councils cover diversified industries and were organized in response to the requests of local unions of affiliated internationals in four different local areas that felt the need for and the advantage of working together in concert through chartered Metal Trades Councils.

The Metal Trades Department continues to encourage the use by its affiliates of the organizing staff of the AFL-CIO in conjunction with the efforts of the individual unions in their joint organizing endeavors. We know that through such concerted use of organizational facilities, large additional numbers of yet unorganized workers can experience the benefits which will result from their membership in our affiliated unions.

During the past two years, negotiations have brought substantial further improvements in basic working conditions, fringe benefits and wage rates to the workers employed in shipyards, atomic energy plants, in the petroleum and non-ferrous metals industries and various other industrial establishments. The department has continued to provide assistance in connection with negotiations of its councils both in supplying information and materials, in advising and consulting with the negotiators and, when necessary, by actually participating in some of the negotiation sessions.

## Atomic Energy

The Atomic Energy Commission installations employ more than 80,000 persons in operation and maintenance work on the payrolls of the various companies which operate AEC plants for the government. The unions affiliated with the Metal Trades Department and Metal Trades Councils chartered at the various installations continue to be the dominant labor organization

among this important group of workers. It is estimated that approximately two-thirds of the organized workers in AEC operations are represented by Metal Trades Department Councils or directly through affiliated unions.

There are still several major AEC installations where the operating and maintenance workers are as yet unorganized. An election was held during 1958 among the more than 3,200 eligible operations and maintenance workers at AEC's widespread Savannah River Plant operated by the DuPont Company. The Savannah River Atomic Metal Trades Council did not succeed in obtaining a majority due to the corporation's all-out efforts in vigorously opposing the employees' efforts to organize. The council, on behalf of its affiliated unions, polled an impressive vote and another campaign at this installation now is getting under way.

The many unusual problems which must be faced in connection with achieving and maintaining effective collective bargaining in these AEC-owned plants, continue to require considerable time and effort by the department in counseling with and assisting its various Atomic Metal Trades Councils and their unions in dealing effectively with the operating company.

The importance of the developments in atomic energy to the Metal Trades Department, its Atomic Metal Trades Councils and affiliated unions is very substantial. As the dominant representative of the workers in the atomic plants, the department and its affiliates naturally have played a major role in the continuing efforts to provide adequate protection not only to the workers employed in atomic energy plants, but in the growing thousands of industrial establishments which are turning to the use of radioactive materials and radioisotopes in their daily work.

#### **Departmental Committee Created**

In order to assist in the coordination and promotion of the mutual interests of its affiliates in problems relating to atomic energy, the department has moved to establish a committee composed of designated representatives of its affiliates, to consult with the department officers on atomic energy matters.

The department has participated actively in the efforts of the AFL-CIO to maintain and strengthen the program of federal government controls over radiation hazards and in opposing the shifting of radiation safety responsibilities to the states. The department, through its President, has made several analyses of the problems relating to the protection of workers from radiation hazards and the development of adequate workmen's compensation programs which have been presented both to the AFL-CIO National Conference on Workmen's Compensation, held in April 1958 and to the Joint Congressional Committee on Atomic Energy's Subcommittee on Research and Development, in connection with the hearings which it held in March 1959 on Employe Radiation Hazards and Workmen's Compensation.

The President of the department, at the request of President Meany, is actively serving as an AFL-CIO representative on the Nuclear Power Committee of the United States Committees for the Revision of the International Convention for the Safety of Life at Sea, 1948 and the International Loadline Convention, 1930.

This committee, composed of representatives of the steamship companies, the maritime and shipbuilding unions, the Navy, Coast Guard, Public Health and Atomic Energy Commission, is engaged in a detailed and comprehensive study of the problems which must be faced in connection with the entrance of nuclear powered vessels into the waterways, the ports and harbors of the world.

### ***Metal Mining***

The Metal Trades Department has continued in its efforts to coordinate and assist the local Metal Trades Councils and the locals of its affiliated unions which go to make up the Non-Ferrous Metals Council of the department. This council has held annual conferences in Salt Lake City in each of the last two years. These conferences, which have been held since 1937, have brought together not only the representatives of the local unions and local councils representing workers employed in the various non-ferrous industries, but also the representatives of the international unions of the department with membership employed in copper, lead, zinc and other non-ferrous metals.

These organizations have taken action in the annual meetings of their Non-Ferrous Metals Council not only to continue such council, but to expand its activity and develop it more fully as a means of cooperating with each other and to coordinate the activities of the affiliates so as to more effectively combat the efforts of several industrial-type unions endeavoring to enter the non-ferrous industry and to eliminate the craft rights and status of our affiliated organizations.

The department has played an active role on behalf of the workers in lead and zinc mining, both in appearing before the U.S. Tariff Commission and urging appropriate relief in late 1957 through increased tariff and quotas if necessary to remove the serious injury and threat of further injury to the lead and zinc industry and its workers, and to discourage further spiraling of imports of these materials.

In urging appropriate relief to combat the chaotic conditions, the department has held firmly to the well-established principle of the trade union movement down through the years as favoring a maximum of foreign trade which can be carried on without undermining the wage structure and working conditions and causing unemployment. We continue to concern ourselves with the well-being and full employment of the workers employed in

our domestic lead and zinc mining and milling industry, as well as in other non-ferrous industries.

Two years ago the department reported on the chartering of several uranium Metal Trades Councils, including one at Grants, N. M., through which the more than 600 workers in the Anaconda Uranium Operations in New Mexico obtained the benefits of recognition and collective bargaining for their affiliated local unions.

Despite NLRB certification, after an election in which the affiliated local unions through their council defeated a so-called independent union and obtained a signed collective bargaining agreement, these unions are now faced with an out-and-out raid.

This effort to displace the Uranium Metal Trades Council and its affiliated local unions as a bargaining agent for these workers is being made in spite of a clearcut recommendation in favor of our council by the impartial umpire under the No-Raiding Agreement.

### ***Shipbuilding and Ship Repair***

The last available comparison of new merchant ship construction under way or on order in the shipyards of the world, as this is written, is for Jan. 1, 1959. As of that date, world shipbuilding contracts stood at 2,083 oceangoing merchant vessels of 1,000 gross tons or over and totaling, in aggregate, about 27.3 million gross tons.

This represents a drop of about 4 million gross tons from the world total new ship contracts shown for July 1, 1958, and a drop of almost 8 million gross tons from the world totals for July 1, 1957.

Almost two-thirds of this tonnage is concentrated in tanker orders and almost 50 percent of all tonnage on order as of Jan. 1, 1959, was centered in the shipyards of Great Britain, West Germany, and Japan.

The private shipyards in the United States continued to hold sixth place among the shipbuilding nations of the world, based on tonnage on order. In addition to Great Britain, West Germany and Japan, Sweden and Holland both exceeded the U.S. in tonnage on order Jan. 1, 1959.

The most recent available reports on new merchant ship construction under way or on order in U.S. private yards, is for May 1, 1959. As of that date, our yards held some 69 contracts and a total of almost  $1\frac{1}{3}$  million gross tons. These contracts included 35 tankers totaling almost 1 million gross tons and 26 cargo vessels totaling about  $\frac{1}{4}$  million gross tons, the remainder being divided among ore carriers and various other types of vessels including the first nuclear passenger cargo vessel, the S. S. Savannah.

The new ship replacement program for the subsidized U.S. fleet finally got under way in 1958 and by May 1, 1959, a total

of 26 freighters, estimated to be worth more than \$250 million had been contracted for within the private shipyards on all three coasts. This spread of awards was made possible by Public Law 805, endorsed by the Metal Trades Department, and which permits the allocation of new government subsidized merchant ship construction without regard to the low bid, when such action is required to correct deficiencies in our shipbuilding mobilization base. The Maritime Administration has indicated it expects to place contracts for an additional 14 vessels this year.

#### **Appropriation Request Cut**

The Maritime Administration budget requests for fiscal year 1960 include \$105 million for construction differential subsidies and national defense features on 14 cargo and combination ships to be constructed under the replacement program. It also included \$17½ million for the acquisition of 14 vessels traded in under the ship replacement program, with the remaining \$6½ million going for research, development, administrative and warehousing expense.

Congress has not completed its action on the Maritime appropriation, but the funds requested for ship construction were about \$12½ million less than was appropriated for the previous fiscal year for these purposes.

The United States companies and their foreign affiliates continue to order new merchant vessels to be built in foreign yards and to be operated under foreign flags.

On Jan. 1, 1959, a total of 150 vessels was building or on order for these companies in foreign yards. These vessels represent almost 4 million gross tons and are all scheduled for foreign flag operation. They are being built overseas and for foreign flag operation because of the substantial advantages thus gained in construction costs, operating costs and taxes.

It is almost unbelievable to realize that U.S. companies and their foreign affiliates on Jan. 1, 1959, were then operating a fleet of 422 vessels of almost 5¼ million gross tons under foreign flags. The additional vessels presently on order will bring the total foreign flag fleets of such U.S. companies and their affiliates to 577 vessels, totaling almost 9½ million gross tons.

#### **Shipbuilding, Merchant Marine Threatened**

It is imperative to our national best interests that an effective method be found to keep the construction and operation of U.S. corporation-owned vessels in U.S. yards and under the U.S. flag.

As a nation we must find the answer to this problem if we are to develop and maintain a strong shipbuilding industry and merchant marine under our flag which will meet not only our commercial, but our national defense needs.

The Pacific Coast Master Shipbuilding and Ship Repair Agreement has been renegotiated and further improved in various respects during the past two years.



**Report to the executive council of the AFL-CIO Metal Trades Dept. is discussed at department session at Miami Beach.**

Not only have these changes included substantial increases in wage rates, but also improvements in other conditions of employment beneficial to the workers covered by this original agreement.

The Pacific Coast Agreement is a noteworthy example of direct Metal Trades Council bargaining in an entire industry in one of the great coastal regions of the United States. It constitutes a model of achievement which could well be emulated in other areas.

### ***Apprenticeship and Vocational Education***

The demand for workers with highly developed craft skills continues to increase to meet the growing needs of our industrial economy to incorporate and take advantage of the many new developments in the scientific field which can be advantageously applied to industry.

The deep concern and interest of the Metal Trades Department for the protection and promotion of bona fide apprenticeship programs and its recognition of the important role which vocational education also plays, continues and increases. For many years the president of the department has served as a member of the major advisory group in the apprenticeship field—the Federal Committee on Apprenticeship—which advises with the Secretary of Labor on apprenticeship problems. In connection with vocational education, the president of the department con-

tinues to serve on the Veterans Administration Vocational Rehabilitation and Education Advisory Committee, established by the administrator of that agency.

It is again significant to note the increasing attention being given by a growing number of affiliated unions of this department to the problem of establishing workable and worthwhile apprenticeship programs and skill improvement or further training programs for their journeymen. Various of our affiliates have assigned full-time representatives to promote and develop thorough joint apprenticeship programs and to make certain that existing programs are kept abreast of new techniques and developments in their respective trades.

Instead of reporting in detail on apprenticeship and vocational education in conjunction with this report of the Metal Trades Department, the report on these subjects has been included in the section on "Worker and the Community" where it will be found under the heading "Apprenticeship and Vocational Education." We have included a brief report on the special problem we have faced in connection with the National Defense Education Act and the training of so-called "technicians," in that section of the report.

### ***Representation of Federal Employees***

Many thousands of craftsmen employed by various agencies of the federal government are members of international unions affiliated with the Metal Trades Department. Particularly in Navy installations and in the Navy Yards are found large concentrations of skilled workers who are represented through the department and its Navy Yard Metal Trades Councils and hold membership in affiliated unions.

The department and its councils continue to actively promote the welfare and best interests of the respective crafts in these government installations.

The department and its Navy Yard Councils play an important part in the establishment of wage rates for Navy Yard workers and also in advising and consulting with the Navy Department on the policies which it promulgates to govern its civilian ungraded employees.

During the past two years, through the Navy Wage Board process, the department, its councils and affiliated unions have continued to obtain increases for the ungraded workers in naval establishments. Over this two-year period these increases have averaged about 27 cents per hour for the craftsmen at the principal naval installations, thus assuring to the workers in these establishments that their wage rate increases would be in line with those received by similar craftsmen employed by private industry in the adjacent areas.

The secretary-treasurer of the department, together with the president of District 44 of the International Association of Ma-

chinists and four alternates from other of our affiliated organizations, serves on the Navy Wage Committee, which passes upon wage surveys and increases proposed for the various installations. The department and its representatives continue to vigorously oppose any detrimental changes in the survey methods used by the Navy Department and to propose changes which would have a beneficial effect on the wage increases for Navy Yard workers.

The department and its affiliates sponsored and supported legislation in the 85th Congress to correct an existing practice prevalent not only in the Navy Department but in other agencies having wage board positions in the federal service, of delaying the effective date of wage increases sometimes for such a long period as to defeat the very purpose of the prevailing wage principle. The department, its affiliates and other cooperating AFL-CIO government employee organizations, succeeded in enacting a law in 1958 assuring to wage board employees that their wage increases would be effective within a specified number of days from the time when the wage survey was undertaken. This legislation reinforces the principle of the prevailing wage and assures wage board workers that the increases justified by wage surveys would be added to their paychecks without undue delay.

The department has continued to work in close cooperation with the AFL-CIO and with all of its affiliated organizations representing federal workers in promoting legislation which would benefit government workers, improve their working conditions, increase their fringe benefits, and legislation to establish their rights to recognition of their union and comprehensive collective bargaining. This department has received the full cooperation of the AFL-CIO Department of Legislation and has worked closely with its national legislative council on matters of common legislative interest.

### ***Relations With Building Trades***

The close cooperation which has typified relations between the Building and Construction Trades Department and the Metal Trades Department has been maintained and broadened during the past two years. The departments have worked in harmony with each other on various mutual problems which have been encountered.

As we have frequently pointed out, the fact that many international unions are affiliated with both departments and have members who often transfer the use of their craft skills from the construction of an industrial plant to the maintenance of the same plant when it is in operation, gives to our two departments focal points of common interest in the problems of such workers.

The jurisdictional questions arising within industrial plants among the unions affiliated with the department, in several in-

stances have required our attention during the past two years. In most instances such problems have been adjusted between the affiliated unions and only in isolated instances have such problems resulted in any stoppages of work.

The Metal Trades Department has continued to assist many of its local Metal Trades Councils in contract negotiations and in solving various of their related collective bargaining problems. The collective bargaining agreements of our councils have shown further substantial gains in wage rates, improvements in general working conditions, and in fringe benefits. These have been obtained in most every instance without any stoppage of work.

Based on the knowledge which comes from the department's long years of experience, we know that the workers in industrial establishments can be organized into their appropriate craft unions, thus obtaining for them the many benefits which go with being identified with their craft, and at the same time, through concerted action and local Metal Trades Council organization, these workers can obtain the benefits of unified collective bargaining in concert with each other.

The preservation of the worker's craft identity and the promotion of his bargaining strength through unified action, we view as basic to the growth and effectiveness of the trade union movement.

## Railway Employees' Department

During the past two years, the employees represented by the Railway Employees' Department and its affiliated organizations have received substantial increases in wages under the terms of the existing contract, but efforts to negotiate additional improvements permitted under the agreement met with strong resistance on the part of the carriers.

Amendments to the Railroad Retirement and Railroad Unemployment Insurance Acts were enacted into law to provide improved benefits for railway employees and a new contract was negotiated, covering the employees represented on the Canadian railways, providing for wage increases and improved vacations with pay.

### *Agreement of Nov. 1, 1956*

As outlined in our last report, an agreement was reached with the carriers on Nov. 1, 1956, as the result of a national movement in which 11 organizations participated, including those affiliated with the Railway Employees' Department.

The three-year contract provided for annual wage increases, an escalator clause, improvements in the existing health and welfare plan, and a moratorium under which the parties agreed not to make requests for increases or decreases in wage rates

provided under existing agreements, and certain other rules involving the level of compensation, although the right to adjust individual rates and to negotiate on the stabilization of employment, separation allowances, and on other matters not prohibited by the moratorium was preserved.

Under the terms of the agreement, a wage increase of 10 cents per hour was made effective on Nov. 1, 1956, and thereafter additional increases of 7 cents per hour were placed into effect on Nov. 1, 1957 and Nov. 1, 1958. In addition, a total of 13 cents per hour is payable under the escalator clause, making the overall increase 37 cents per hour.

The agreement also provided that the carriers would pay an additional \$4.2075 (\$4.25 less one percent for railroad costs) per month per employee to provide hospital, medical, and surgical benefits for the employees' dependents.

Although the moratorium contained in Article VI of the agreement restricted the right of the organizations to raise the general level of compensation, it did not prevent adjustments under normal processes on the individual carriers in the rates of pay of individual positions, correction of inequities as between rates for different individual positions on a particular railroad, the negotiation of rates for new positions or positions where the duties or responsibilities have been changed, or "the progressing of pending notices, the serving of notices and the negotiation of agreements dealing with stabilization of employment, separation allowances, or other matters not prohibited by the foregoing provisions of this Article VI."

#### Railroads Refuse to Bargain

Accordingly, the organizations affiliated with the Railway Employees' Department joined other standard railway labor organizations in serving a Section 6 Notice on the Southern Railway on May 22, 1958 to secure a number of changes in working conditions which were regarded as permissible under the moratorium. Among them were proposals for the stabilization of employment. Similar notices were subsequently served on the Missouri-Kansas-Texas Railroad and the Chicago & North Western Railway.

The Southern Railway took the extreme position, however, that none of the proposals was bargainable, notwithstanding the specific language of the moratorium dealing with the stabilization of employment, among other things, and, therefore, they declined to negotiate on the organizations' proposals. The carrier also served counter proposals which would eliminate or render ineffectual the most vital rules of existing agreements. In view of the carrier's attitude, the organizations spread a strike ballot among the employees, who voted overwhelmingly to withdraw from the service, unless a satisfactory agreement was reached.

In an effort to resolve the controversy involving the interpretation of Article VI, the organizations submitted the matter to

the National Mediation Board, since the agreement of Nov. 1, 1956 was signed as the result of the mediatory efforts of the board. After holding hearings, the board ruled on Jan. 14, 1959 that the organizations' notices were proper. This ruling also covered similar disputes on a number of other railroads.

The carrier then sought to delay negotiations further by submitting this dispute to the National Railroad Adjustment Board, and filed suit in the District Court for the Northern District of Illinois, Eastern Division, to require the Adjustment Board to take jurisdiction. The matter is still pending.

This represents the attitude displayed, in varying degrees, on most carriers where, by the injunctive process, or some other means, they have declined to bargain collectively with the organizations.

### **1958 National Rules Movement**

Meanwhile, a national movement was begun with 17 organizations cooperating, including those affiliated with the Railway Employees' Department, to bring about a correction of a number of problems which have caused considerable difficulty, including: the operation of time limit rules for the handling of grievances, hiring practices, safety, health and sanitation and accidents.

On Sept. 10, 1958, uniform notices were served on the individual carriers containing these proposals, and also requesting that national conference committees be formed to deal with this dispute in the event agreement was not reached on the individual properties.

In the conferences on the individual carriers, the managements again took the position that the employees' proposals were barred by the moratorium contained in the agreement of Nov. 1, 1956, and later the organizations were advised that conference committees had been formed, but only to discuss the bargainability of their proposals.

Under the circumstances, the services of the National Mediation Board were invoked on Feb. 2, 1959, requesting that it accept jurisdiction of the dispute. The case was docketed by the board, but before mediation proceedings were begun the carriers appointed conference committees to deal with the merits of the dispute. Conferences were scheduled to begin on July 15, 1959.

### **1959 National Movement**

With the moratorium in the agreement of Nov. 1, 1956 due to expire on Nov. 1, 1959, the non-operating standard railway labor organizations party thereto proceeded with plans early this year to seek general improvements in working conditions which would increase the level of compensation. Under the agreement,

notices can be served prior to Nov. 1, providing such proposals are made effective on or after that date.

Consideration is now being given to the rest of the proposals to be served on the carriers, but because the existing vacation agreement requires that a seven-month notice be given of changes desired to be effective the following calendar year, it was decided to serve a notice on this and the related subject of holidays with pay in conformity with the requirements of the vacation agreement.

On May 29, 1959, eleven organizations, including those affiliated with the Railway Employees' Department, served uniform notices on the individual carriers, requesting that the existing vacation agreement be amended to provide for two weeks vacation after one year of service, three weeks after five years of service, and four weeks after 10 years of service, effective with the calendar year 1960. In addition, the organizations proposed that the qualifying period in the preceding calendar year be reduced from 133 to 90 days, as well as a number of other changes to correct abuses under the existing agreement.

Since paid holidays are closely associated with vacations, a proposal was included to add two holidays to the seven already provided, effective Nov. 1, 1959. The new holidays sought are Good Friday and Veterans' Day.

In conferences held on the individual properties, the carriers once more declined to negotiate on the grounds the proposals were barred by the moratorium, even though the agreement of Nov. 1, 1956 specifically permitted the serving of notices prior to Nov. 1, 1959 provided the changes were effective on or after that date.

The carriers also served counter proposals on the organizations requesting that qualifying periods for vacations be increased from 133 to 160 days (182 days in 1949 and 192 days prior to 1949), that wage rates be reduced 5 cents per hour to offset the cost of paid holidays provided under the existing agreement, and that employees receiving holiday pay who perform service on a holiday, be paid at straight time for such service. This is where the matter stood as this report went to press.

Throughout the period of the present contract, the carriers have used the moratorium improperly to forestall negotiations on legitimate collective bargaining proposals permitted under the agreement. Even though the position of the carriers will ultimately be shown to be wholly unjustified, the question will become moot when the moratorium expires on Nov. 1.

But the carriers will have succeeded in unnecessarily delaying negotiations by questionable methods which can hardly contribute to good employee-management relations. Of one thing they may be sure, and that is the pending disputes will be prosecuted vigorously to a satisfactory conclusion.

## **National Movement on Canadian Railways**

On Nov. 12, 1957, uniform notices were served on the Canadian Railways by the non-operating standard railway labor organizations, including those affiliated with the Railway Employees' Department, requesting a wage increase, improved health and welfare benefits, improved vacations, an additional holiday with pay, severance pay, and proposals on contracting out and pay days.

Negotiations with the carriers failed to produce a settlement, and on Dec. 2, 1957, the Minister of Labour was requested to establish a Board of Conciliation to hear the dispute and make recommendations as to its disposition. After some delay, a board was appointed on Feb. 13, 1958, consisting of Judge C. P. McTague, chairman, David Lewis, nominated by the organizations, and Phillip Vineberg, nominated by the railways.

The appointment of Judge McTague to serve as chairman of the board was opposed by the organizations because he held directorships on a number of companies and acted as a management representative in various industrial disputes. Judge McTague subsequently withdrew and the Minister of Labour appointed Justice H. F. Thompson of the Supreme Court of Saskatchewan to serve as chairman of the board.

Hearings before the board began on Mar. 3, 1958, and continued until June 6; after reviewing the material presented by the parties to the dispute, the board made its report and recommendations on July 21, 1958.

The board recommended that a two-year contract be negotiated, effective Jan. 1, 1958, and that wages be increased by approximately 13.8 cents per hour, with 4 cents per hour to be retroactive to Jan. 1, 1958, 3 percent to be effective Sept. 1, 1958, and an additional 3 percent to be effective on Apr. 1, 1959, such percentage increases to be calculated on the rates in effect on Dec. 31, 1957. The board also recommended that four weeks vacation with pay be granted to all employees having 35 or more years of service.

The employees' request for an additional statutory holiday was denied, as was the request for severance pay, and that work normally done by railroad employees be not contracted out. The organizations' proposals on pay days and improvements in the existing health and welfare plans were withdrawn, subject to further negotiation with the carriers.

While short of what the organizations felt was justified, they notified the Minister of Labour on Aug. 21, 1958 that in the interest of industrial peace they would accept the board's recommendations.

The carriers, on the other hand, neither accepted nor rejected the report, and advised the minister that they desired to give the matter further study. Since it was apparent that the railways intended to seek an increase in freight rates before giving

consideration to the board's recommendations, the organizations had no alternative but to refer the matter to the membership in the form of a strike ballot. They voted by a large majority to withdraw from service on Dec. 1, 1958 if the carriers failed to accept the board's recommendations.

On Nov. 17, 1958 the Board of Transport Commissioners granted the railways a 17 percent increase in freight rates, and shortly thereafter the representatives of the railways sought conferences with the Employees' Negotiating Committee. The parties entered into a master agreement on Nov. 26, 1958, fully implementing the recommendations of the Board of Conciliation.

Also included in the agreement was a clause settling the health and welfare issue, which was previously withdrawn from the proceedings before the Conciliation Board. It provided for an increase in the contributions by the employees and the carriers from \$4.25 to \$4.87 per month, effective Jan. 1, 1959, to meet the increased cost of the program.

### ***Retirement, Unemployment Insurance Acts***

As reported previously, Congress amended the Railroad Retirement Act in 1956 to provide for an increase in retirement benefits up to 10 percent, but failed to provide the means of financing this interim increase in benefits.

When the first session of the 85th Congress convened early in 1957, the standard railway labor organizations sponsored bills which would increase retirement benefits further by 10 percent, provide for extended unemployment insurance benefits for employees with five or more years of service and the necessary financing, as well as a bill which would exempt the retirement taxes paid by railroad employees from federal income taxes. Both the first and second sessions of the 85th Congress failed to take final action on these measures.

Shortly after the 86th Congress assembled in January 1959, similar legislation was introduced, identified as HR 1012 in the House and S 226 in the Senate. These identical bills provided for an increase in retirement and unemployment insurance benefits, extended job benefits, and for increased taxes to put the system on a sound financial basis.

This legislation, with minor amendments, was passed by the Congress under the identifying number HR 5610, and received the approval of the President on May 19, 1959. (Public Law 86-28, 86th Congress, HR 5610, May 19, 1959.)

The major changes made in the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Railroad Retirement Tax Act are briefly as follows:

1—Retirement and survivor benefits were increased by 10 percent, beginning in June 1959.

2—Railroad unemployment and sickness benefits were in-

creased by an average of about 20 percent, retroactive to July 1, 1958.

3—Women employees with less than 30 years of service and spouses of retired employees may elect to receive a reduced benefit at age 62.

4—Disability annuitants under age 65 may earn as much as \$1,200 annually (instead of \$100 in any one month) without loss of benefits.

5—Railroad retirement benefits were excluded from the definition of "earnings" for the purpose of non-service-connected disability pensions payable by the Veterans' Administration.

6—The maximum taxable and creditable compensation was raised from \$350 to \$400 per month. The retirement taxes on employers and employees respectively were raised from 6½ percent as follows: for the period June 1959 through December 1961, 6¾ percent; for the period 1962-64, 7¼ percent; after 1964, the rate on each will be increased by the same number of percentage points by which the social security tax rate exceeds 2¾ percent.

7—In addition to an increase in the maximum unemployment insurance and sickness benefit rates from \$8.50 to \$10.20 per day, extended unemployment insurance benefits were provided for employees who exhaust their normal benefits. Employees with 10 and less than 15 years of service may qualify for 65 additional days of unemployment benefits within seven registration periods, and those with 15 or more years of service may qualify for up to 130 days of additional unemployment benefits within 13 registration periods. In addition, employees with less than 10 years of service may qualify for up to 65 days of additional benefits during the period June 19, 1958 to July 1, 1959.

8—The amount of earnings in the base year necessary to qualify was increased from \$400 to \$500.

9—The maximum creditable and taxable earnings under the Railroad Unemployment Insurance Act were likewise raised from \$350 to \$400 per month and the maximum tax rate was increased from 3 to 3¾ percent, effective June 1, 1959. This tax is paid entirely by the carriers.

These changes will provide some much needed relief for retired and unemployed railroad workers.

The events of the past few years indicate clearly the need for effective political action. In the present political climate, the carriers have become irresponsible in their relations with their employees. Indeed, with the support of the Administration, industry generally is engaged in a campaign, under the guise of fighting inflation, to halt all further progress by labor and it serves as the justification to oppose any and all improvements in the welfare of the employees.

It is a return to the philosophy of industrialists at the turn of the century, who regarded labor as a commodity, rather than

as a producer-consumer. Such a policy is a threat to the economic health of our country, and a change in leadership is essential to promote the continued growth of our economy and to improve the welfare of the employees.

## **Union Label and Service Trades Department**

The Union Label and Service Trades Department during the nearly two years since its last convention was held during December 1957 in Atlantic City, N. J., has reached a significant milestone in its history of service to the American trade union movement.

Founded in 1909 by a group of dedicated trade union leaders acting under the guidance of the late Samuel Gompers, this AFL-CIO department is celebrating during 1959 its Golden Anniversary marking a half-century of promoting and publicizing the union label, the shop card and the service button.

The period since the department's 1957 convention has been one of great progress, marked expansion and increased service to its affiliates and to organized labor in general.

Ten new affiliates have been added to the roster of national and international unions which make up a listing of the official union label, shop card and service button family. These new affiliates are:

American Bakery and Confectionery Workers International Union.

National Association of Broadcast Employees and Technicians.  
Oil, Chemical and Atomic Workers International Union.

United Steelworkers of America.

United Shoe Workers of America.

Retail, Wholesale and Department Store Union.

International Association of Bridge, Structural and Ornamental Iron Workers.

Seafarers International Union of North America.

International Brotherhood of Longshoremen.

Operative Plasterers' and Cement Masons' International Association of the United States and Canada.

These new affiliations bring the department's total to 76 which represents an all-time high in the organization's history. This added strength and support has made possible a significant increase in the department's activities and has helped carry the message of organized labor's distinguished symbols to countless millions who have benefited materially from labor's efforts to harness and direct its massive purchasing power.

The department renews its invitation to every AFL-CIO national and international union which is not already affiliated with the department to join this organization and take an active part



**ILGWU's new union label, symbol of humane working conditions, is sewn into garment by wife of N.Y. Gov. Nelson Rockefeller.**

in helping bring about an increased demand for the goods and services that are produced by union workers.

### **Department Services**

Since its last convention the department has inaugurated many new services for its affiliates. A new editorial feature went into effect in January 1958—a monthly magazine article sent to editors of all national and international union journals. Known as the department's "Special Monthly Feature," these items deal with timely subjects related to union label, shop card and service button promotion. Appropriate art work in mat and reproduction proof form accompany the article.

Another innovation in the department's publicity program is a monthly cartoon strip called "Stew and Lou"—a four-picture strip issued monthly to all labor editors in mat and reproduction proof form. "Stew and Lou" are two amusing cartoon characters whose union label antics promote and publicize labor's emblems in a light and entertaining fashion.

Early this year the department produced and distributed several thousand colorful 1959 calendars which pictured all the

union labels, shop cards and service buttons of its affiliates and highlighted the Golden Anniversary celebration. These calendars were sent to all AFL-CIO national and international unions, to all state and city central bodies and to hundreds of union meeting halls across the nation.

The department continues to carry its message to the delegates at scores of conventions each year by distributing special literature packets. These packets contain, along with the literature, a letter addressed to the delegates urging them to carry this vital information back to the members of their own local unions.

Since its last convention the department has cooperated with state and local labor organizations across the nation in furnishing materials for distribution at labor exhibits in 215 state and county fairs. Affiliates have been most cooperative in sending supplies of their literature, posters and "give-aways" for use in these fair booths.

#### Aid in Designing, Patenting Labels

Assistance has been furnished affiliated unions in connection with registering their union labels, shop cards and service buttons with the U.S. Patent Office. The department also arranged for the designing of new union labels and shop cards for several of its new affiliates which have adopted these new emblems in the past two years. A 40-foot lighted display, depicting the emblems of all the department's affiliated unions in color, was constructed and introduced at this year's San Francisco Union-Industries Show. The exhibit is now scheduled to be displayed at several forthcoming conventions of AFL-CIO groups.

Department officials endeavor to attend and address as many conventions and other labor gatherings as possible. During the period since December 1957, 54 such conventions of national and international unions and state bodies have been attended. In addition, officers and representatives of the department have participated in many meetings of city central bodies, Women's Auxiliaries and Union Label and Service Trades Councils.

In recent months, the department has taken an active part in the program of labor schools being conducted under the guidance of the AFL-CIO Department of Education. Speakers have addressed these labor schools in Oklahoma, Iowa, Arkansas, Southern Labor School (Alabama-Mississippi-Tennessee), Kentucky, Rocky Mountain Labor School (Arizona-Colorado-Idaho-Montana-New Mexico-Nevada-Wyoming).

Union label, shop card and service button pamphlets have been distributed to the students attending these schools and movie films promoting labor's emblems have been shown. The department plans next year to prepare special literature designed specifically for these schools and to arrange for special displays for use at these important gatherings.

## **Union Label and Service Trades Councils**

The Union Label and Service Trades Department continues to work toward its goal of a chartered union label and service trades Council in every city where there is an AFL-CIO city central body, and a state council in each state in the Union. These councils serve as active "branch offices" of the department in their respective localities and are effectively carrying out the department's national programs and campaigns at the grass roots level.

The councils, of course, are not designed to replace the important union label committees of the AFL-CIO city and state central bodies. They are established in every instance with the help and endorsement of those AFL-CIO groups and have as their primary purpose the full-time promotion of organized labor's emblems. Since the last convention, 12 new union label and service trades councils have been chartered.

## **Union-Industries Show**

### **1958—Cincinnati, Ohio**

The 1958 AFL-CIO Union-Industries Show marked the observance of a most important birthday for the world's largest labor-management exhibition. Having originated in Cincinnati in 1938, this colorful panorama of all-things union returned to that city last year to commemorate organized labor's two decades of showing the general public in a dramatic and action-packed fashion the many benefits our nation enjoys because our unions and their employers work harmoniously together under the banner of negotiated contracts.

During the show's six-day run, April 25-30, 319,412 people thronged the aisles of the exhibit spaces in Cincinnati's famous Music Hall to view the more than 300 colorful displays. The crowds, representing over half the city's entire population, came to view the crafts and skills and services of trade union members. Before the show closed, the visiting public carried home gifts and prizes worth thousands of dollars.

Staging the 1958 exhibition in Cincinnati had a specifically serious and important purpose. During the period of the show, trade unionists and their friends in Ohio were engaged in an all-out struggle paving the way for the defeat of so-called "right-to-work" legislation which was to appear on that state's November ballot. Returning this massive demonstration of organized labor's accomplishments and labor-management harmony to the city of its beginning did much to alert the area's voters—whether union members or not—to the dangers inherent in such vicious and unfair laws.

### **1959—San Francisco, Calif.**

This year's Union-Industries Show marked a highpoint in the department's observance of its Golden Anniversary. This multi-

million dollar extravaganza utilized all available display space in San Francisco's newly constructed Brooks Hall located underground in the city's Civic Center. On opening day, May 1, over 10,000 visitors thronged the plaza in front of the hall to hear dignitaries from all over America praise the labor movement's distinguished emblems—the union label, the shop card and the service button.

AFL-CIO Secretary-Treasurer Schnitzler was the featured speaker at the colorful ceremonies along with California's Gov. Edmund G. "Pat" Brown and San Francisco's Mayor George Christopher. Top officials from organized labor, management and government took part in the opening ceremonies. Before the Show closed on May 6, 364,400 visitors had attended the event.

As the governor of Ohio and the mayor of Cincinnati had done in 1958, the chief executives of California and San Francisco gave official recognition to labor's huge show by issuing special proclamations for the event. Gov. Brown designated the period of the show as "Labor-Management Week," and Mayor Christopher called it "Union-Industries Show Week." Both urged citizens of the area to honor the trade union movement and the goods and services produced by union members by attending the exhibition.

The 1960 AFL-CIO Union-Industries Show is scheduled for May 6-11, in Washington, D. C. The department warmly invites all AFL-CIO national and international unions to participate in the show and display the crafts and skills and services of their members. These unions also are invited to ask their fair employers to publicize their union status by taking part in next year's exhibition.

### **Women's Auxiliaries**

Close cooperation has been maintained between the Union Label and Service Trades Department and the women's auxiliaries of the labor movement. Officials of the department took an active part at the December 1957 merger convention of the American Federation of Women's Auxiliaries of Labor and the National CIO Auxiliaries when they came together to form the now well-established AFL-CIO Auxiliaries.

The department has produced and distributed two of its own pamphlets designed to publicize the important place occupied by the women of the trade union movement. A great number of the women's auxiliaries, both the local units of the AFL-CIO Auxiliaries and those of women's auxiliaries to national and international unions of the AFL-CIO, are on the department's mailing list and receive regular shipments of new literature and posters.

### **Pamphlets and Literature**

The department has, since its last convention, distributed to the labor movement more than 2 million copies of its promo-

tional pamphlets and literature. In addition, over a quarter of a million copies of the department's monthly publication, Official News, have been produced and distributed during this period. Over 75,000 posters were prepared and sent out, publicizing such special events as the annual union-industries shows, the observance of the union label week and seasonal events such as Christmas Buying Programs.

### **Union Label Week**

Union Label Week for 1958 was celebrated from Sept. 1 through Sept. 7. This year's observance is scheduled for Sept. 7-13.

Sponsored and produced annually by the Union Label and Service Trades Department, this special period begins each year with Labor Day and continues for the balance of the week. All segments of the trade union movement are asked at this particular time to make every effort to attract attention to the union label, the shop card and the service button in order that the general public as well as trade union members and their families will increase their year-round demand for goods and services produced by union members.

Governors and mayors all over America are urged to issue special Union Label Week proclamations. In connection with the celebration last year, most governors and numerous mayors issued such official documents.

Picnics, parades, banquets, state and county fair exhibits, rallies, store window displays—these and a host of other functions were held all over the nation between Sept. 1 and Sept. 7 last year in this national effort to increase patronage for those firms that feature the union label, the shop card and the service button.

The department anticipates that this year's Union Label Week festivities will equal and exceed those of past years and expresses its sincere appreciation to all who helped accomplish the success previously surrounding this special week's celebration.

### **Board Meetings**

Since the department's 1957 convention, regular meetings of its Executive Board have been held as follows:

February, 1958, Miami Beach, Fla.; April, 1958, Cincinnati, O.; August, 1958, Forest Park, Pa.; November, 1958, Washington, D. C.; February, 1959, San Juan, Puerto Rico; May, 1959, San Francisco, Calif.

At the February, 1958 executive board meeting, two executive board vacancies were filled as follows:

Joseph D. Keenan, secretary-treasurer of the International Brotherhood of Electrical Workers and a vice president of the AFL-CIO, was elected to the position of sixth vice president.

Arthur P. Gildea, secretary-treasurer of the International

Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers, AFL-CIO, was elected to the position of seventh vice president.

These elections furnished the department its full complement of officers consisting of president, seven vice presidents and secretary-treasurer.

The great public recognition and acceptance which have been granted to labor's symbols has come about through the efforts and sacrifices of many people. The invaluable assistance and guidance which the Union Label and Service Trades Department has received from the president and secretary-treasurer of the AFL-CIO and from the members of the AFL-CIO Executive Council have brought about countless benefits enjoyed by millions of union members and their families.

The national and international unions of the AFL-CIO—and especially those unions which are affiliated with this department—have made possible the achievements written into the pages of this department's 50-year history.

The journals of these national and international unions and the scores of labor newspapers that make up the legitimate labor press have contributed their talents and facilities to the task of promoting and publicizing these symbols of fair play between worker and employer—these marks of highest quality on goods and services. The official publications of the AFL-CIO, the American Federationist and the AFL-CIO News, have been most helpful to this department's campaigns and programs. The message of labor's important emblems has been carried to millions through the AFL-CIO's coast-to-coast network radio broadcasts and in programs carried by hundreds of independent radio stations.

## AFL-CIO Auxiliaries

The merger of the American Federation Women's Auxiliaries of Labor and the National Auxiliaries of the Congress of Industrial Organizations became final in December 1957. Since then the new AFL-CIO Auxiliaries has had a busy and flourishing time—membership has increased to better than 33 percent, and the per capita tax more than 50 percent, much of this by reactivating former auxiliaries.

The Auxiliaries merger, convention proceedings, the by-laws, and a pamphlet entitled "This is Your AFL-CIO Auxiliaries" have been sent to all affiliates, both the unions, and the auxiliaries and to many universities, colleges, and other important agencies.

The AFL-CIO Auxiliaries publishes a newspaper containing information on union labels, legislation, community services, education and general information. The newspaper is one media that will bring to our affiliates much needed information so necessary to understanding the trade union movement.

Several national and international unions have been contacted in relation to organizing auxiliaries, and parent auxiliaries. Some local auxiliaries were organized and affiliated, and the ground-work laid for future auxiliaries.

### ***Auxiliaries Activities***

The promotion of union labels, shop cards, and service buttons is one of the main functions of auxiliaries. Union label hunts have been instituted in many auxiliaries, committees of two or three women have gone into stores to look for union labels.

Several of the international, national, and state conventions of auxiliaries prepare a booth and either sell or display merchandise with the union label. These are successful projects.

COPE is one labor program that has the women interested and enthused. Women have volunteered in getting out the vote and registering the unregistered. Auxiliary women have volunteered to help their state central bodies to send out materials at election time by manning the mimeograph machines, addressing and stuffing envelopes.

When certain bills are before Congress the auxiliaries create letter lobbies to write letters to their congressmen urging them to pass the bill—or defeat it—and giving their reasons.

All women are interested in community services projects. Many auxiliary women are volunteer helpers in veterans' hospitals. Many are volunteer Red Cross station wagon drivers. They are also workers in other hospitals, as Gray Ladies.

Girl Scout leaders, Den Mothers, Campfire Girls, Brownies, and other organizations find many auxiliary women helping in their projects. Auxiliaries have donated money to send less fortunate children to summer camps. Some have set up scholarships. Some auxiliaries have fund raising projects to donate to their favorite charity once or twice a year. Practically all auxiliaries take Christmas gifts to the homes of the aged, orphanages, and to many foster homes.

### ***International and National Affiliates***

One of the largest international auxiliary affiliates of the AFL-CIO Auxiliaries is the International Ladies Auxiliary to the International Association of Machinists. It is 54 years old, and going strong. This is a self sustained auxiliary, whose membership fluctuates between 6,000 and 8,000 members.

Another large affiliate is the Auxiliary to the International Typographical Union. It was organized in Cincinnati, Ohio, Aug. 13, 1902, and is a wholly autonomous organization. It has a membership of 7,500.

The Women's International Auxiliary to the Amalgamated Association of Street Electric Railway and Motor Coach Em-

ployees of America was organized Sept. 1937 in San Francisco. It has a membership of about 2,500 members.

The Oil, Chemical and Atomic Workers International Union Ladies Auxiliary was organized in 1938, chartered in June 1940. It has a membership of about 1,000.

The International Photo Engravers International Auxiliary was organized in Cleveland in 1935 and has about 500 members. The International Association of Firefighters Ladies Auxiliary was organized in September 1950. They have done outstanding work in child care and safety in schools and playgrounds.

Another large affiliate is the National Ladies Auxiliary to the National Association of Letter Carriers, which was organized in September 1905, with 18 states participating. It has branches in all states, with a membership of 16,000 in 850 auxiliaries. There are also 45 state associations.

Other national affiliates are the Int'l Stereotypers & Electrotypers Auxiliary; the Ladies Auxiliary to the United Rubber, Cork, Linoleum and Plastic Workers; and the Auxiliary to the National Assn. of Special Delivery Messengers.

There are 12 state councils of Auxiliaries, most of which have completed their mergers. There are local auxiliaries in every state and numerous auxiliaries that have national parent organizations in every state.

From experience learned since merger many changes are planned in the present by-laws, in order to better facilitate the work of the national organization.

Women in the labor movement who are members of the AFL-CIO Auxiliaries have expressed their support of the new organization, and with the national auxiliaries now in the offing we expect an increase in membership, and increased interest in the program.

## Conclusion

The report which we herewith submit to the Third Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations covers a period of grave trial for the American labor movement. It is with a deep sense of satisfaction that we can report that the AFL-CIO has met each challenge with dedication and unity.

In a real sense this is a credit to all of those charged with the leadership of the American labor movement at every level—national, state and local. It is proof as well that a united labor movement is vital to the preservation of the gains already won and those still sought by free, democratic labor unions.

We of the Executive Council are fully cognizant of the problems still unresolved and the dangers which lie ahead. We look to the future with confidence, secure in the belief that our cause will triumph.

This, then, is the record of accomplishment of the AFL-CIO since the last convention and a compendium of our thinking on vital issues which affect the labor movement in America at this juncture in history. It is based on the actions and decisions of the Executive Council's seven meetings since the Atlantic City convention: Feb. 3 through 11, Apr. 29 through May 1, Aug. 18 through 21 and Nov. 6 and 7, 1958; Feb. 16 through 24, May 18 through 21, Aug. 17 through Aug. 20, 1959.

The Executive Council of the AFL-CIO, with pride, herewith submits this report to the delegates to the Third Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations for their study and deliberation and to aid them in determining the policies that will guide the AFL-CIO in the period until the next convention.

George Meany,  
President, AFL-CIO

Wm. F. Schnitzler,  
Secretary-Treasurer, AFL-CIO

Walter P. Reuther  
Wm. C. Birthright  
David Dubinsky  
Emil Rieve  
Maurice A. Hutcheson  
L. S. Buckmaster  
Richard F. Walsh  
James A. Suffridge  
Paul L. Phillips

George M. Harrison  
James B. Carey  
Chas. J. MacGowan  
Wm. L. McFetridge  
A. J. Hayes  
Jacob S. Potofsky  
Lee W. Minton  
O. A. Knight  
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## **SUPPLEMENTAL REPORT**

### **Introduction**

This supplemental report of the Executive Council to the Third Constitutional Convention of the AFL-CIO covers matters which could not be included in the formal report because of time factors.

The supplemental report includes:

Labor-Management Reporting Act

Application of the International Longshoremen's Association for Affiliation with the AFL-CIO.

Action in the 86th Congress on numerous bills including:

Housing

Education

Minimum Wage

Civil Rights

Civil Defense

Federal Employes Health and Medical Coverage

Highway Construction

Mutual Security

Included also is an appendix containing an analysis of the Labor Management Reporting and Disclosure Act of 1959.



## **Labor-Management Reporting Act**

The 86th Congress dealt the American labor movement its most severe setback in more than a decade by passing the so-called "Labor-Management Reporting and Disclosure Act of 1959." Not since passage of the Taft-Hartley Act in 1947 had Congress moved directly to injure legitimate trade unions, as was the case this year.

The issue of corruption in some segments of the American labor movement was recognized by the merger convention of the AFL-CIO. In December 1955, constitutional provisions were approved to protect the labor movement "from any and all corrupt influences" and machinery was established for the enforcement of these provisions.

The AFL-CIO constitution has been implemented. Following action by the AFL-CIO Committee on Ethical Practices and suspension by the Executive Council, the 1957 convention expelled four affiliates, the Teamsters, the Bakery Workers, the Laundry Workers and the Dye House Workers.

But it soon became apparent that the AFL-CIO could do nothing about corrupt influences in unions outside its ranks and especially about unions which it had expelled or about corruption among employers.

Public attention was drawn to this corruption by the Senate Select Committee on Improper Activities in the Labor and Management Field—the McClellan Committee. Holding extensive and sensational public hearings, the committee was able to demonstrate that racketeers had entrenched themselves in a few unions in certain areas and were using their positions to mulct union members. The hearings also disclosed extensive corruption among management officials and so-called labor relations consultants.

### ***The Kennedy-Ives Bill***

As a result, pressure rose for legislative action. In 1958, reactionary senators introduced viciously anti-labor legislation having little or nothing to do with improper activities. The measure which was reported to the Senate floor, however—S. 3974—was a moderate bill which would have aided substantially in curbing proven abuses. It became known as the Kennedy-Ives bill.

On the Senate floor, this bill came under attack from anti-labor forces. Amendment after amendment was offered, many of them anti-labor rather than anti-racketeering in character. Although most of the major anti-labor amendments were rejected, a number of amendments of doubtful value were adopted. The Senate passed the bill by a vote of 88 to 1.

Although the Kennedy-Ives bill was worsened by Senate action, the AFL-CIO continued to support it. The bill did not reach the House floor until late in the session, when House leaders had to

move to suspend the rules to bring the bill up for floor action. This maneuver required a two-thirds vote for passage, and the bill was rejected on a roll call vote.

Defeat of the Kennedy-Ives bill was a victory for those politicians in Congress who did not want an anti-corruption bill but preferred the political issue of corruption in the 1958 election campaign.

### **The Kennedy-Ervin Bill**

Early in 1959, the Senate Labor Committee began a new series of hearings. The AFL-CIO urged a bill embodying a wide variety of anti-corruption provisions, including complete reporting and disclosure of all union finances and all management-labor relations expenditures. The AFL-CIO also asked for moderate amendment of the Taft-Hartley Act to alleviate obvious hardships in areas which were generally non-controversial.

The Eisenhower Administration, however, supported legislation which included sweeping bans against organizational and recognition picketing and secondary boycotts, as well as other anti-labor provisions.

The Senate Labor Committee rejected the restrictive language of the Administration bill and reported S 1555, the Kennedy-Ervin bill. S 1555 would have required strict reporting by unions on all financial transactions, by union officers and employees on conflicts of interest, and by employers and labor relations consultants on sums spent in activities affecting labor relations. The bill also would have established certain requirements for trusteeships and union elections, and would have amended Taft-Hartley to relieve the "no-man's land" problem, to permit economic strikers to vote, to permit pre-hire contracts in the building industry, to authorize pre-hearing representation elections, and to improve the definition of supervisors in the communications industry.

When the bill reached the Senate floor for debate, the reactionary forces again attempted wholesale amendment of the measure. This year they were more successful.

Their first major victory came on an amendment offered by Senator John B. McClellan (D-Ark.), chairman of the Select Committee.

In a demagogic speech, McClellan demanded passage of a so-called "bill of rights" amendment which in fact restricted perfectly proper procedures of the labor movement. The amendment was passed 47 to 46 and in the hectic parliamentary maneuvering that followed Vice President Nixon broke a 45 to 45 tie and cemented the anti-labor proposal into the bill.

Later, some senators led by Sen. Thomas Kuchel (R-Calif.) realized the full extent of this stamped action and substituted new language which made the amendment slightly less anti-labor.

Even the new language raised many problems. Could a union discipline wildcat strikers? Could a union officer throw a drunk out of a union hall? Must a union admit racketeers and Communists if they "tender the lawful requirements of membership"? These and other questions made it clear that, even if it were proper for Congress to regulate internal union affairs, this was no way to do it. Perhaps the most onerous provisions imposed heavy criminal penalties on union officers for performing their sworn duties.

Altogether some 52 amendments were actually offered on the Senate floor, of which 35 were adopted. Among the worst of those adopted were provisions to impose unrealistic fiduciary responsibilities on union officers, to limit organizational picketing, and to ban certain "hot cargo" clauses.

Amendments were rejected to substitute the Administration Taft-Hartley amendments (67 to 24), to ban virtually all secondary boycotts (50 to 41), to require secret strike ballots (60 to 28), and to permit states to ban public utility strikes (64 to 27).

The bill was passed by a vote of 90 to 1 on Apr. 25.

Hearings before the House Education and Labor Committee were extensive. President Meany appeared three times, urging the committee to report legislation which was anti-racketeering but not anti-labor.

But anti-labor forces on the House Committee were not interested in such a proposal. They wanted to hamstring and weaken legitimate unions. They were not satisfied with the Elliott bill (H.R. 8342) which the committee reported on July 30. Indeed, some reactionaries, who wanted a bill to use as a vehicle for anti-labor amendments on the House floor, helped vote it out of committee.

### ***The Landrum-Griffin Bill***

On July 27, a new bill was introduced, H.R. 8400, sponsored by Representative Landrum (D-Ga.) and Griffin (R-Mich.). This measure was viciously anti-labor.

On Aug. 3, a third bill was introduced by Rep. John F. Shelley (D-Calif.), former president of the California Federation of Labor. It was a strong anti-racketeering bill without any of the anti-labor provisions of the Landrum-Griffin bill and the objectionable features of the Elliott bill. The AFL-CIO supported it as a sound anti-racketeering measure.

Throughout this period, direct and indirect lobbying rose to an intensity not equalled within the memory of most members of Congress. Simultaneously, a propaganda campaign more extensive and more vicious than any in the last decade, aimed at legitimate union operations, was launched by America's anti-labor bloc.

This campaign was carried on not only by the traditionally

anti-labor newspapers, which used their news and editorial columns to spread the lies of labor's opponents, but by radio and television as well. The concept of public service time, for the frank and full discussion of all sides of a controversial issue, was subverted. Radio and TV broadcasters misused a powerful weapon placed in their trust—the public air waves—to aid the National Association of Manufacturers, the Chamber of Commerce and the American Retail Federation—in their attack on organized labor.

Seizing upon the corruption issue as a disguise, these forces unleashed an attack upon labor of such intensity and such deceit, that the Congress was swamped with letters stimulated by the false propaganda.

The final effort was an unprecedented radio-TV appeal by President Eisenhower calling for passage of the Landrum-Griffin bill.

The President, who had refused countless times in the past to speak when such issues as housing, better schools and civil rights were pending before Congress, openly lobbied for the measure. He threw the prestige of his office behind a bill designed to hurt labor, demonstrating by his statements that he did not even understand the rudiments of labor-management relations. The networks, flaunting the equal-time concept, denied equal time to supporters of the Elliott and Shelley bills.

Although labor fought hard to offset the propaganda drive, the Shelley bill was defeated on Aug. 12.

Debate then centered on the Landrum-Griffin bill. Minority Leader Halleck (R-Ind.), secured several minor modifications to make Landrum-Griffin more palatable to Southern Democrats.

At this point in the battle, Secretary of Labor James P. Mitchell suddenly abandoned his publicly stated position and endorsed the Landrum-Griffin Bill without reservation. At least twice in earlier public statements, the Secretary had declared his opposition to major anti-labor segments of the bill, but when the showdown came, he threw his support, in a letter read on the floor of the House, to the most anti-labor measure pending in the Congress. His sudden switch, without explanation or apology, was a boon to labor's opponents.

Off the floor, Postmaster General Summerfield and Attorney General Rogers called in wavering Republicans to force them into line for the Landrum-Griffin bill. Prior to the vote, the AFL-CIO told congressmen that the roll call on the Landrum-Griffin substitute was the key vote, and that a vote for the measure was an anti-labor vote.

On Aug. 13, the key vote came. Landrum-Griffin was adopted 229 to 201. The anti-labor forces had won.

The bill was sent to conference to compromise the differences

between the Senate and House bills. The conference committee was loaded against labor. Five of the seven House conferees were committed to the Landrum-Griffin bill. The liberal Democratic majority of the Senate conferees (Senators Kennedy, McNamara, Morse, Randolph), successfully eliminated some of the more obvious injustices of the Landrum-Griffin bill. The final package, however, still made Taft-Hartley worse and did virtually nothing to meet the problems of widespread management corruption or require reporting of employer anti-union expenditures.

The conference report was adopted by the Senate on Sept. 3 by a vote of 95 to 2, and by the House on Sept. 4 by a vote of 352 to 52. President Eisenhower signed the bill on Sept. 14. (See appendix for complete and detailed analysis of the new law.)

Thus ended the hardest-fought battle of the 86th Congress. It ended in a defeat for labor and for all those who believe in free, democratic institutions.

## **Application of the International Longshoremen's Association for Affiliation with the AFL-CIO**

The International Longshoremen's Association was expelled as an affiliate of the American Federation of Labor by action of the 72nd Convention of the AFL in September 1953.

This expulsion was the result of public disclosures of crime and corruption on the New York waterfront, which established, among other things, that the ILA had permitted irresponsible, corrupt and criminal elements to infect that organization to the extent that its integrity and its trade union character were despoiled and it no longer was worthy of affiliation with the AFL. It was also the result of the failure on the part of the ILA to comply with directives of the AFL to correct the abuses and evils disclosed or else face expulsion as an affiliate.

While the ILA did little to rehabilitate itself prior to expulsion, the intervening six years brought many changes not only to the waterfront of New York but to the ILA itself. These changes indicated that the ILA had awakened from its early indifference to its trade union responsibilities and had moved steadily toward compliance with the standards demanded of it by the AFL in its 1953 directives.

On Jan. 8, 1959 the ILA through its executive council made formal application for affiliation with the AFL-CIO. As a result of this application and because of indications of progress toward true trade union responsibility by the ILA, the AFL-CIO Executive Council appointed a committee of the council to make a full

inquiry into the present condition of the ILA and to report to the Executive Council its findings and recommendations.

This committee made a thorough inquiry and upon its conclusion submitted to the Executive Council its report containing the following recommendations:

1—Subject to a satisfactory arrangement being negotiated between the IBL and the ILA, which meets with the approval of the Executive Council of the AFL-CIO, and subject to the prior acceptance by the ILA of the further conditions and qualifications hereafter stated, the ILA be admitted to affiliation with the AFL-CIO as an International affiliate, and

2—Such affiliation, while otherwise unqualified and complete with respect to the rights, duties and responsibilities that are part and parcel of AFL-CIO national and international affiliation, be qualified and conditioned to the extent that, during the period of time from the date of such affiliation of the ILA to the convening of the 1961 Convention of the AFL-CIO.

(a) The President of the AFL-CIO may directly or through a representative or representatives designated by him, require the ILA to keep him fully informed with respect to the conduct of the affairs of the International Union and may issue to the ILA such directions, instructions, and recommendations as he may believe necessary or appropriate to effect further and full compliance with the principles and standards of the AFL-CIO and in that connection and for that purpose may require the submission by the ILA of periodic reports and may attend all meetings and sessions of the ILA Executive Council; and

(b) The Executive Council of the AFL-CIO may, by majority vote and without Convention action, suspend or expel the ILA as an affiliate of the AFL-CIO or take such other action as it may deem to be appropriate or necessary if at any time during the period between the affiliation of the ILA with the AFL-CIO and the 1961 Convention of the AFL-CIO, it concludes and determines that the ILA has failed to fully comply with such directions, instructions or recommendations the AFL-CIO may issue looking toward complete compliance with the principles and standards enunciated by the AFL-CIO.

3—That the recommendations contained herein, if approved by the AFL-CIO Executive Council, be presented by the Executive Council to the forthcoming Convention of the AFL-CIO for such action by the Convention as may be appropriate and advisable under the circumstances.

The report and the recommendations were considered by the Executive Council at its meeting in August 1959 and were approved and adopted by the Executive Council.

The Executive Council believes, as disclosed and stated in the report, that the ILA is now in substantial compliance with the principles and standards established by the AFL-CIO. It further believes, as does the AFL-CIO Executive Council committee, that additional progress is desirable and that this additional progress can be aided and accelerated by the affiliation of the ILA with the AFL-CIO.

It therefore requests and recommends to this Third Constitutional Convention of the AFL-CIO that it expressly authorize and empower the Executive Council of the AFL-CIO in its discretion to issue a certificate of affiliation to the ILA as an international affiliate, subject to the terms, conditions and qualifications recommended by the AFL-CIO Executive Council committee and approved and adopted by the Executive Council at its August 1959 meeting.

### ***Distillery, Rectifying and Wine Workers International Union***

The President's office is investigating certain conditions in this union and will submit a report to the Ethical Practices Committee.

## **Worker and the Community**

### ***Housing***

#### **Page 162, follows 2nd paragraph**

An attempt to override the veto of the original bill in the Senate fell short of the requisite two-thirds. The Senate promptly considered a revised bill, including \$8 billion for FHA, a modified urban renewal program and 37,000 public housing units, and retained the cooperative housing for the elderly, college classroom and dormitory housing and other features.

The Senate overwhelmingly approved the bill. The House passed the bill unaltered. Within a few days, this second housing bill was vetoed. The Senate thereupon considered a third housing bill, eliminating college dormitories, time limitations on urban renewal grants, and the October 1, 1960 terminal date for FHA authorizations.

The Senate passed the third bill, 86-7. The House, by voice vote, adopted the Senate-passed bill.

### ***Education***

#### **Page 166, follows 4th full paragraph**

On Aug. 24, the subcommittee reported S 8, the McNamara bill. On Sept. 8, the full committee of the Senate Labor and Public

Welfare Committee ordered reported S 8 without amendments. The bill as reported provides:

1—\$1 billion grants to states and local communities over a two-year period limited to school construction only.

2—State and local matching on a 50-50 basis. The formula is based on the income of the state and school population.

3—No funds for loans.

## National Economy

### **Fair Labor Standards Act**

#### **Page 101, follows 2nd full paragraph**

The Subcommittee on Labor reported to the full Senate Committee on Labor and Public Welfare provisions in the form of amendment to S 1046. The bill as reported would:

Increase the minimum wage for workers now covered to \$1.25 in two steps (\$1.15 immediately, \$1.25 a year later).

Extend the \$1.25 minimum and the 40-hour week to uncovered employees in large enterprises in steps over a 4-year period, and

Extend a \$1 minimum wage to uncovered employees in smaller enterprises not now covered by the Act. (The full committee did not complete action on this measure.)

## Safety

#### **Page 181, follows 7th paragraph**

The House accepted the Senate version of the bill and it was signed by the President Aug. 18, 1959—Public Law 86-171.

## Social Security

### **Unemployment Compensation**

#### **Page 140, follows 4th paragraph**

Connecticut has raised the basic weekly maximum from \$40 to \$45 and provides 50 percent more weeks duration for exhaustees when unemployment is at least 6 percent for 8 of the most recent 10 weeks.

Ohio has raised the basic weekly maximum from \$33 to \$42 and increased the maximum allowable for dependents from \$6 to \$11. It also liberalized the duration formula but maintained a 26 weeks maximum.

## Civil Rights

### Civil Rights Legislation

#### Page 192, follows 2nd paragraph

As the first session of the Congress was going into its very last days, it seemed that the only action likely this year was extension of the Civil Rights Commission. This particular action, initially considered a routine matter, became a matter of greater import because the Civil Rights Commission issued its report on Sept. 8 and aroused fierce objections among southerners. The key section of the report, approved by all but one of the commission's six members, condemned the fact that in some southern states Negroes are being denied the right to vote. The commission recommended a system of federal voting registrars wherever state officials discriminate against Negro citizens.

Although disappointing in some respects, the report was generally hailed by civil rights supporters as a very useful contribution. It was surprisingly strong in light of the composition of the commission and in view of the relatively uneventful period of existence.

Advocates of civil rights action continued up to the last days of the session to demand immediate action on meaningful legislation, but the usual pressures for adjournment and filibuster threats made it difficult to get such action. On the House side, in order to guarantee action regardless of the Rules Committee wishes, a discharge petition was initiated by the Chairman of the Judiciary Committee, Emanuel Celler. This would bring to the House floor the bill reported out by the Judiciary Committee, H. R. 8601. Although a very weak bill, with Part III and technical aid to schools eliminated, it would provide an opportunity to offer strengthening amendments on the floor.

On the Senate side, obstructionist tactics in the Judiciary Committee prevented action by that Committee. A number of moves to bypass the Committee were initiated by civil rights supporters in the Senate. As the session was coming to a close, it was generally expected that the Civil Rights Commission would be extended through a rider attached to the Mutual Security appropriations bill and that there would be general agreement on bringing up substantive civil rights legislation early in 1960.

In the closing hours of the session, the Senate suspended its rules and, by a 71-18 vote, approved a two-year extension of the Civil Rights Commission. The House approved the measure by a vote of 221-81.

Majority Leader Lyndon B. Johnson (D-Tex.) and Minority Leader Everett M. Dirksen (R-Ill.) pledged major civil rights action beginning on or about Feb. 15, 1960.

## National Legislation

### Civil Defense

Page 234, follows 4th paragraph

After months of delay and resistance to the Senate amendment in the 1960 Independent Offices appropriation bill, the Senate receded and the House position in opposition to civil defense funds prevailed.

The appropriation item in H. R. 7040 involved \$12 million in grants-in-aid toward 50 per cent of the cost of operating state offices to bolster civil defense preparedness. The basic act approved in 1958 provides the authorization for the appropriations. The Congress' action thus eliminates such federal assistance enabling the United States Government and the respective state governments to shoulder their joint responsibilities as spelled out in Public Law 85-606.

### Federal Employees

Page 224, follows 5th paragraph

Health and Medical Coverage—The House approved its version of S 2162 to provide health and medical coverage for government employees. The House bill provisions were altered to include an all-employee advisory committee to assist in maintaining and improving the health system.

The Senate offered two amendments: (1) to increase the salary of the Civil Service Commission's Executive Director and (2) to create a separate administrative unit for handling the new program.

The Senate and House approved its amended bill and sent it to the White House.

### Highway Construction

Page 233, follows 3rd paragraph

After months of delay and maneuvering between the Public Works Committee and the Ways and Means Committee in the House to arrive at methods for financing the deficit in the Interstate and Defense Highway construction program, a formula finally was devised to meet the emergency.

Whereas the President had proposed a 1.5-cent increase in motor fuel tax, the Congress approved a 1-cent tax for a 22-month period ending in the fall of 1961, and a 5 percent on passenger cars and auto parts for three years starting July 1, 1961 to be derived from the present tax on such items.

The proceeds will fall short of a sufficient sum to meet the emergency which suggests the Congress may take a further look at the problem in the second session.

The Senate inserted a provision to effect limitation on billboard construction within city limits. Our 1957 convention opposed banning of billboards which would result in .5 percent increased federal funds to the states conforming to the restrictions.

### ***Juvenile Delinquency***

#### **Page 237, after 2nd paragraph**

S 694 was advanced to the Senate calendar. This bill authorizes \$20 million for a 5-year period starting June 30, 1960, for demonstration and development of methods of prevention, control and treatment of juvenile delinquency.

In many counties of the United States having severe delinquency problems there is not one parole officer, social worker, or policeman having knowledge or training in this field. In fact, a majority of the states have no training facilities of any sort.

### ***Minerals Legislation***

#### **Page 220, follows 1st full paragraph**

The resolution was passed by both Houses of Congress.

### ***Radiation Hazards***

#### **Page 212, follows 3rd paragraph**

S 2568, a bill to define federal and state responsibilities and to establish programs for cooperation between the states and the AEC with respect to control of radiation hazards was passed by Congress in the last days of the session. The bill does not meet the standards and specifications advanced by the AFL-CIO.

### ***Trinity Project***

#### **Page 217, follows last paragraph**

This sum was included in the bill on final passage, but President Eisenhower vetoed the measure. A second bill was passed by Congress after all sums were cut by 2.5 percent. The President also vetoed this bill, but Congress voted to override, and the bill became law.

### ***Veterans***

#### **Page 232, follows 5th paragraph**

The Yarborough bill (S 1138) to accord to veterans of post-Korean service educational, job training, farm training, school and college level advantages, gained Senate approval but no action was taken by the House Veterans Affairs Committee.

The Long amendment was included in the Senate action to

provide educational grants to those veterans who showed capacity through satisfactory grades to absorb these educational advantages.

### ***Water Pollution Control***

#### **Page 219, follows 3rd paragraph**

On Sept. 9 the Senate passed a similar measure, 61 to 27. Before passage, the Senate restored a Davis-Bacon prevailing wage provision which had been stricken by the Senate committee.

The bill was sent to conference with action expected in January, because of fear of a pocket veto.

## APPENDIX

# Analysis of the "Labor Management Reporting and Disclosure Act of 1959"

*This analysis was prepared shortly after passage of the Act by Congress and prior to its signing by the President. There are many involved provisions, some not too clearly drawn. As a result their full impact and reach cannot presently be estimated with certainty.*

*This analysis is an early attempt to assist the affiliates of the AFL-CIO in reaching some fundamental understanding of a very comprehensive and detailed law. It has been prepared without the benefit of the clarification that will come only with adjudication and administration. It is, therefore, not meant to be conclusive and is presented as the best judgment of the legal staff of the AFL-CIO at this early stage of the Act's existence.*

The Act contains seven titles, providing as follows:

### "Short Title"

Section 1 states the official title of the Act, "Labor-Management Reporting and Disclosure Act of 1959."

### "Declaration of Findings, Purposes, and Policy"

Section 2 recites formal Congressional findings designed to support the constitutionality of the Act.

### "Definitions"

Section 3 defines various terms used in the Act, as noted below. These definitions apply for the purposes of Titles I through VI, except section 505. In other words they apply to all provisions of the Act other than its amendments of the Taft-Hartley Act.

Section 3(a) and (b) define respectively, "commerce" and "state." The combined effect of the two definitions gives "commerce" the same meaning as in the Taft-Hartley Act.

Section 3(c) defines "industry affecting commerce" as any activity, business or industry (1) in commerce, or (2) in which a labor dispute would hinder or obstruct commerce or the free flow of commerce. It includes any activity or industry "affecting commerce" within the meaning of the Taft-Hartley or Railway Labor Act.

Section 3(d) defines "person" substantially as in the Taft-Hartley Act.

Section 3(e) defines "employer" as an employer or association of employers engaged in an industry affecting commerce which is (1) an employer within the meaning of any federal law relating to employment, or (2) engages in collective bargaining with any

union. The term "employer" does not include the United States or any corporation wholly owned by it, or any State or political subdivision thereof.

It will be noted that this definition of "employer" is somewhat more inclusive than that in Taft-Hartley. Specifically, and unlike Taft-Hartley, it includes employees subject to the Railway Labor Act and non-profit hospitals.

Section 3(f) defines "employee" as including any individual whose work has ceased (1) as a consequence of, or in connection with any current labor dispute, (2) because of any unfair labor practice, or (3) because of *exclusion* or expulsion from a union in any manner or for any reason inconsistent with the requirements of the Act.

Parts (1) and (2) of this definition are taken from the Taft-Hartley definition of "employee." Part (3) is new. Its significance is unclear; particularly so as relates to "exclusion."

Section 3(g) defines "labor dispute" as in the Taft-Hartley Act.

Section 3(h) defines "trusteeship" as meaning any receivership, trusteeship or other method of supervision or control whereby a union suspends the autonomy otherwise enjoyed by a subordinate body.

Section 3(i) defines "labor organization" as a labor organization engaged in an industry affecting commerce, including any organization in which employees participate and which exists for the purpose, in whole or in part, of engaging in collective bargaining with employers. It includes any conference general committee, joint or system board, or joint council engaged in collective bargaining *which is subordinate to a national or international union, other than a State or local central body.*

Under this definition a local central body is not a labor organization, even if it engages in collective bargaining.

Section 3(j) declares that a labor organization shall be deemed to be engaged in an industry affecting commerce if it (1) is the certified representative of employees under the National Labor Relations Act or the Railway Labor Act; (2) is recognized or acting as the representative of employees of an employer engaged in an industry affecting interstate commerce; (3) has chartered a local union or subsidiary body which is representing or actively seeking to represent such employees; (4) has been chartered by a union which represents or is actively seeking to represent such employees as the local through which the employees may enjoy membership or become affiliated with the union; or (5) is a conference, general committee, joint or system board, or joint council, subordinate to a national or international union, other than a state or local central body.

The Act thus undertakes to cover almost every labor union in the country, including even the smallest local unions. In this re-

spect it undertakes to extend the power of the Federal Government under the commerce clause farther than ever before.

Section 3(k) defines "secret ballot" as meaning the expression by ballot, voting machine, or otherwise, of a choice with respect to any election or vote taken upon any matter, cast in such a manner that the person making the choice cannot be identified with such choice. Proxy voting is expressly excluded.

Section 3(l) defines "trust in which a labor organization is interested" as meaning a trust or other fund or organization (1) created or established by a union, or of which one or more of the trustees or members of the governing body is selected or appointed by the union, and which (2) provides benefits for members of the union or their beneficiaries.

Section 3(m) defines "labor relations consultant" as meaning any person who for compensation advises or represents an employer or union concerning employee organizing, concerted activities, or collective bargaining.

Section 3(n) defines "officer" as meaning any constitutional officer of a union, and any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a union, and any member of its executive board or similar governing body.

Section 3(o) defines "member" or "member in good standing" of a union as including any person who has fulfilled the requirements for membership in such union, and who has neither voluntarily withdrawn nor been expelled or suspended from membership after appropriate proceedings consistent with lawful provisions of the union's constitution and bylaws.

Section 3(p) states that "Secretary" means the Secretary of Labor.

Section 3(q) defines "officer, agent, shop steward or other representative" of a union to include elected officials and key administrative personnel whether elected or appointed (such as business agents, heads of departments or major units, and organizers who exercise substantial independent authority), but not to include salaried non-supervisory professional staff, stenographic and service personnel.

Section 3(r) defines "district court of the United States" as including a Federal court of any place subject to the jurisdiction of the United States.

## **Title I—"Bill of Rights of Members of Labor Organizations"**

### **Summary**

Title I enacts a so-called "Bill of Rights of Members of Labor Organizations," which undertakes to guarantee to union members certain rights, privileges and protections within their unions.

Provisions of union constitutions and bylaws which are inconsistent with the statutory provisions are invalidated. These rights, privileges and protections are enforceable in the Federal courts in actions brought by persons whose rights have been infringed. In addition, section 610 of the Act provides criminal penalties for the restraint or intimidation of a union member by force or violence or threat thereof for the purpose of interfering with or preventing the exercise by him of any right under the Act. Rights and remedies of union members under any State or Federal law or before any court or other tribunal, or under the union's constitution and bylaws, are preserved.

### Section-by-Section Analysis

#### "Bill of Rights"

Section 101(a) (1)—"Equal Rights"—provides that every member of a union shall have equal rights and privileges to nominate candidates, to vote in union elections or referendum, to attend meetings, and to participate in the deliberations and voting upon the business of the meeting, subject to reasonable rules and regulations in the union's constitution and bylaws.

Thus, any union not now having in its constitution or bylaws rules and regulations with respect to participation in its meetings, etc., should adopt appropriate rules and regulations.

Section 101(a) (2)—"Freedom of Speech and Assembly"—declares that every member of a union shall have the right to meet freely with other members; and to express any views, arguments or opinions; and to express his views at union meetings upon candidates for union office or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of the meetings. All of these provisions are subject to the proviso that they shall not be construed to impair the right of a union to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with the union's performance of its legal or contractual obligations.

It will be noted, first, that the provision that every union member shall have the right to meet freely with other members appears to invalidate any blanket rules against caucusing away from union meetings, such as some unions have. Under the proviso, however, unions may forbid caucusing which violates the members' responsibility to the organization as an institution, such as caucusing to promote dual unionism.

Next, the subsection declares that union members shall, in general, i.e., outside of union meetings, have the right to express "any views, arguments or opinions," whereas at union meetings they shall have the right to express their views on (1) candidates in an election for union office, and (2) business properly before

the meeting. Further, these rights to speak at union meetings are subject to reasonable rules pertaining to conduct of meetings; hence any organization not having such rules should consider their adoption.

The proviso is evidently meant to entitle a union to protect itself against advocacy of dual unionism, but not to protect its officers against criticism. Here, again, any union not now having rules as to the responsibility of its members toward the union as an institution may find it advisable to adopt such rules.

Section 101(a) (3)—“Dues, Initiation Fees, and Assessments”—prescribes the procedures which unions (other than the AFL-CIO to which this subsection does not apply) must follow in increasing dues and initiation fees and in levying assessments. Specifically, it provides that a local union may not increase dues and initiation fees or levy an assessment except by majority vote of the members by secret ballot, either (1) at a membership meeting after “reasonable” notice of the intention to vote upon the question, or (2) in a membership referendum. A national or international union may increase dues or initiation fees or levy assessments (1) by majority vote of the delegates at a regular convention, or at a special convention held upon 30 days’ written notice to each local union, or (2) by majority vote of the members by secret ballot in a membership referendum, or (3) by majority vote of the members of the executive board or other governing body, pursuant to express authority in the union constitution and bylaws. Action taken by this third procedure may, however, be effective only until the next regular convention of the union.

Section 101(a) (4)—“Protection of the Right to Sue”—declares that no union shall limit the right of any member to bring a court action or administrative proceeding, to appear as a witness in any judicial, administrative or legislative proceeding, or to petition any legislature or communicate with any legislator. Union members can, however, be required to exhaust reasonable hearing procedures within the union (but not to exceed a four-month lapse of time) before instituting any court or administrative proceeding against the union or any of its officers. A proviso declares that no interested employer or employer association shall directly or indirectly finance, encourage, or participate in, except as a party, any suit or administrative proceeding by a union member against his union or its officer.

This subsection, read in conjunction with section 609, clearly prohibits a union from disciplining a member for instituting a court or administrative proceeding after exhausting internal procedures not consuming more than four months. The question then arises whether that is all that the provision does, or whether it also lays down a new exhaustion of remedies rule—i.e., that “exhaustion” may not be required beyond four months—binding on the State and Federal courts. In his explanation of the Conference

bill on the Senate floor, Senator Kennedy undertook to make it clear that this provision does not write a new exhaustion of remedies rule. He said (105 Cong. Rec. 16414) :

The protection of the right to sue provision originated in the Senate bill and was adopted verbatim in the Landrum-Griffin bill except that the first proviso limiting exhaustion of internal hearing procedures was changed from 6 months to 4 months. The basic intent and purpose of the provision was to insure the right of a union member to resort to the courts, administrative agencies, and legislatures without interference or frustration of that right by a labor organization. On the other hand, it was not, and is not, the purpose of the law to eliminate existing grievance procedures established by union constitutions for redress of alleged violation of their internal governing laws. Nor is it the intent or purpose of the provision to invalidate the considerable body of State and Federal court decisions of many years standing which require, or do not require, the exhaustion of internal remedies prior to court intervention depending upon the reasonableness of such requirements in terms of the facts and circumstances of a particular case. So long as the union member is not prevented by his union from resorting to the courts, the intent and purpose of the "right to sue" provision is fulfilled, and any requirements which the court may then impose in terms of pursuing reasonable remedies within the organization to redress violation of his union constitutional rights will not conflict with the statute.

It is not clear how the proviso with respect to employer stimulation of litigation is to be implemented.

Section 101(a) (5)—"Safeguards Against Improper Disciplinary Action"—provides that no member of a union may be "fined, suspended, expelled or otherwise disciplined" by the union or any officer thereof except for non-payment of dues, unless the member has been—

(A) served with written specific charges; (B) given a reasonable time to prepare his defense; (C) afforded a full and fair hearing.

Manifestly, these provisions will necessitate greater formality in local union disciplinary proceedings than has sometimes been practiced.

However, this statutory language is unfortunately quite vague and its meaning for many situations is uncertain. If the requirements for charges, notice and hearing prior to the imposition of discipline are applied to disciplinary actions necessary to maintain order at union meetings, they could produce chaos. Probably, however, the courts will not so interpret the statute. Section 101(a) (2), dealing with freedom of speech at union meetings,

recognizes that unions are entitled to enforce "reasonable rules pertaining to the conduct of meetings," and a similar qualification will no doubt be read into section 101(a) (5).

Another problem is whether section 101(a) (5) will be construed to prevent the emergency suspension of local union officers by an international union in advance of hearing. Such does not appear to be the intent of section 101(a) (5). The statement of the House Managers on the Conference Report declares that section 101(a) (5) "applies only to suspension of membership in the union; it does not refer to suspension of a member's status as an officer in the union." Further, section 304 recognizes that a trusteeship may be established in advance of hearing—it refers to a trusteeship "authorized or ratified" after a fair hearing—and a trusteeship normally involves the suspension of officers.

Section 101(b) declares that any provision of the constitution and bylaws of any union which is inconsistent with the provisions of section 101 shall be of no force and effect.

This provision is superrogatory: provisions of union constitutions and bylaws which are inconsistent with valid Federal or state statutes are automatically invalidated.

#### **"Civil Enforcement"**

Section 102 provides that any person whose rights have been infringed by any violation of Title I may bring a civil action for appropriate relief "including injunctions" in a Federal district court. Such a suit may be brought against a union either in the district where the violation is alleged to have occurred or where the principal office of the union is located.

Whether an aggrieved member may sue at once, or may under section 101(a) (4) be required to exhaust internal remedies not to exceed four months, is unclear.

#### **"Retention of Existing Rights"**

Section 103 declares that nothing in Title I shall limit the rights and remedies of any union member under any state or Federal law, or before any court or other tribunal, or under the constitution and bylaws of any union.

This section can hardly be applied literally, since it directly conflicts with other language of Title I, such as the provision in section 101(a) (4) with respect to exhaustion of internal remedies. Apart from that there is an important question whether the "rights and remedies" which section 103 preserves are only procedural rights and remedies, or are substantive rights as well. Against the latter construction it can be argued that Congress can hardly have intended to permit the states to enact legislation regulating the subjects covered in Title I, such as the procedures to be followed by unions in increasing dues, which would conflict with the substantive provisions of this title.

### **"Right to Copies of Collective Bargaining Agreements"**

Section 104 provides that the secretary (or corresponding officer) of a local union shall forward a copy of each collective bargaining agreement made by the local union to any employee who requests a copy, and whose rights are directly affected thereby. In the case of a national or international union, or conference or other intermediate body, the secretary (or corresponding officer) must forward a copy of any agreement to each constituent unit which has members directly affected thereby. Union secretaries must maintain at the principal office of the union copies of all agreements made or received by it, and these copies shall be available for inspection by any member or employee whose rights are affected by the agreement. This section (unlike the other sections of Title I) is enforceable under section 210 by suit of the Secretary of Labor in a Federal district court. Whether it is also enforceable under section 102 by suit of an aggrieved individual is not clear.

This section seems to say that if a collective bargaining agreement is executed by a local union, then any employee covered is entitled, upon request, to a copy. If, however, the agreement is executed by a national or international union, then an employee covered is not entitled to a copy, but only to inspect a copy at the local union office.

### **"Information as to Act"**

Section 105 provides that every labor organization shall inform its members concerning the provisions of the Act.

This section is enforceable only under section 102. That is, if a union does not comply, one of its members may sue to require it to do so.

## ***Title II—"Reporting by Labor Organizations, Officers and Employees of Labor Organizations, and Employers"***

### **Summary**

Title II provides for the filing of five different types of reports with the Secretary of Labor. Unions are required to file reports and information concerning their constitutions and bylaws and internal procedures. Unions are also required to file annual reports covering all aspects of their finances. These two union reports are essentially the same as and are substitutes for those now filed by unions complying with sections 9 (f) and (g) of the Taft-Hartley Act, which are repealed by this Act. Under this Act the filing of the required information and reports is not, as it was under Taft-Hartley, a condition of access to the National Labor

Relations Board; instead the Act's reporting requirements are enforced by civil court action and by criminal penalties.

Union officials and employees are required to file individual reports if they engage in any "conflict of interest" transaction of enumerated types. Employers are required to file reports on certain types of labor relations disbursements. Finally, reports are required of labor relations consultants if they engage in certain types of activities. The information and reports required of labor union officers and employees, employers and labor relations consultants are new requirements, which are likewise enforced by criminal penalties. The reports and information filed under the Act are public.

### **Section-by-Section Analysis**

#### **"Reports of Labor Organizations"**

Section 201 (a) requires every union to adopt a constitution and bylaws and to file a copy thereof with the Secretary of Labor. The requirement that every union have a constitution and bylaws is new; the requirement as to filing a copy parallels section 9 (f) of the Taft-Hartley Act.

Section 201 (a) also requires that every union file with the Secretary of Labor a report signed by its president and secretary, or other corresponding principal officers, containing certain information as to the union's constitutional provisions and internal procedures. The information required in this report is essentially the same as that now filed by unions which comply with section 9(f) of the Taft-Hartley Act, but is more detailed. Changes in constitutional provisions or internal procedures must be reported annually, at the time the union files the annual financial report required by section 201 (b).

Section 201(b) requires every union to file annually with the Secretary a financial report signed by its president and treasurer, or corresponding principal officers. These reports are to contain enumerated information "in such detail as may be necessary accurately to disclose" the union's financial condition and operations for the preceding fiscal year. The information listed is: (1) assets and liabilities at the beginning and end of the fiscal year; (2) receipts and the sources thereof; (3) salaries, allowances and other disbursements, direct or indirect, including reimbursed expenses, to each officer and also to each employee who during the fiscal year received more than \$10,000 in the aggregate from the reporting union and any other union affiliated with it, or with which it is affiliated, or which is affiliated with the same national or international labor organization; (4) direct or indirect loans made to any officer, employee or member which aggregated more than \$250 during the fiscal year; (5) direct or indirect loans to any business enterprise; and (6) other disbursements. This in-

formation is to be reported "in such categories as the Secretary may prescribe."

The union financial reports thus required are more detailed than those now filed under sections 9(f) and (g) of the Taft-Hartley Act. Under item (3) above, it apparently will be necessary for each international union to effect some arrangement for pooling information as to all payments made by it and by all of its local unions to any employee who received payments from more than one organization. This will be a considerable nuisance. Further, since the Supreme Court construed the term "international labor organization" in section 9(h) of the Taft-Hartley Act as including the CIO (*National Labor Relations Board v. Highland Park Mfg. Co.*, 341 U. S. 322, 71 Sup. Ct. 758), the term could here be construed as applying to the AFL-CIO. It is to be hoped and expected, however, that the Secretary will in his regulations state that the term does not here include the AFL-CIO, since it would be an onerous burden to pool information on all payments made to AFL-CIO representatives who also receive payments as representatives of national and international and local unions.

Section 201(c) provides that every union shall make available to its members the information required to be contained in the reports (i.e., both the organizational and the financial report). It further provides that the union and its officers shall permit any member "for just cause" to examine its books, records and accounts necessary to verify the reports. This right to examine records is enforceable at the suit of any member in any state court of competent jurisdiction, or in the Federal district court in the district wherein the union maintains its principal office. In such a suit the court may require payment by the defendant of the plaintiff's attorney's fee and costs.

Section 201(d) repeals subsections 9(f), (g) and (h) of the Taft-Hartley Act. The reports required under section 201 replace those filed under sections 9(f) and (g). As a substitute for the non-Communist affidavit requirement of section 9(h) of Taft-Hartley, this Act contains in section 504 a direct prohibition, criminally enforceable, against the holding of union office or employment by any person who is or during the last five years was a member of the Communist party.

Section 201(e) is a technical amendment which strikes from section 8(a)(3) of the Taft-Hartley Act the language pertaining to compliance with sections 9(f), (g) and (h) of Taft-Hartley.

#### **"Report of Officers and Employees of Labor Organizations"**

Section 202(a) requires every officer and every employee of a labor union (other than a clerical or custodial employee) individually to file with the Secretary of Labor a report on any "conflict of interest" holding or transaction of enumerated types in which the officer or employee, or his spouse or minor child, possessed or

engaged in during the preceding fiscal year. Under section 202(c) no report need be filed unless the union officer or employee has possessed a reportable type of holding or has been involved in a reportable type of transaction. The types of holdings and transactions that have to be reported are similar to those defined as unethical or improper in AFL-CIO Ethical Practices Code IV (Investments and Business Interests of Union Officers). In addition, a union officer or employee must report any payment he or his spouse or minor child received, directly or indirectly, from any employer or labor relations consultant, except payments of the kinds described in section 302(c) of the Taft-Hartley Act (i.e., checked-off dues, etc.).

Section 202(b) exempts from the reporting requirements of section 202(a) investments in or income from securities traded on an exchange registered as such under the Securities Exchange Act of 1934, in shares of an investment company registered under the Investment Company Act of 1940, or in securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935.

Section 202(c) makes it clear that no report need be filed unless the officer or employee, or spouse or minor child, possessed a reportable type of holding or has engaged in a reportable type of transaction during the preceding fiscal year.

#### **"Report of Employers"**

Section 203(a) requires employers to file with the Secretary a report, signed by the president and treasurer or corresponding officers, as to any transactions of the following types engaged in during the preceding fiscal year:

(1) any payment or loan to any union or any union officer, representative or employee, other than payments or loans made by a credit institution and payments of the kind referred to in section 302 of the Taft-Hartley Act (i.e., checked-off dues, etc.);

(2) any payment to any of his employees or any group or committee thereof for the purpose of causing the employee, group or committee to persuade other employees to exercise, or not to exercise, or as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing unless the payments are disclosed to the other employees;

(3) any expenditure where an object, directly or indirectly, is to "interfere with, restrain, or coerce" employees in the exercise of the right to organize and bargain collectively, or is to obtain information concerning employee or union activities in connection with a labor dispute, except for use in conjunction with a judicial, administrative, or arbitral proceeding;

(4) any agreement or arrangement with a labor relations consultant under which the consultant undertakes activities where an object, directly or indirectly, is to persuade employees to exer-

cise, or not to exercise, or as to the manner of exercising, the right to organize and bargain collectively, or undertakes to supply the employer with information of the activities of a union in connection with a labor dispute, except for information used solely in conjunction with a judicial, administrative, or arbitral proceeding;

(5) any payment pursuant to an agreement or arrangement covered by (4).

The report is to be made on a form prescribed by the Secretary, and is to show details with respect to each disbursement, agreement or arrangement.

Section 203 (b) requires the filing of a report by every person who, pursuant to any agreement or arrangement with an employer, undertakes activities where an object thereof, directly or indirectly, is (1) to persuade employees not to exercise, or as to the manner of exercising, the right to organize and bargain collectively, or (2) to furnish an employer with information concerning employee or union activities in connection with a labor dispute, except information solely for use in connection with a court, administrative or arbitration proceeding. The report must be filed with the Secretary within 30 days after entering into any such agreement or arrangement, and is to be signed by the president and treasurer or corresponding principal officers. The report is to contain specified financial data, including receipts on account of labor relations services, disbursements of any kind, and a detailed statement of the terms of the agreement or arrangement with the employer.

Section 203(c) provides that employers and other persons are not required to file reports covering the services of such persons by reason of their giving advice to the employer, or representing the employer before any court, administrative agency, or arbitral tribunal, or engaging in collective bargaining on behalf of the employer.

Section 203(d) provides that employers are not required to make reports under section 203(a) unless they engage in transactions of the types there set forth, and that other persons are not required to make reports under section 203(b) unless they engage in transactions of the types described in that section.

Section 203(e) provides that regular officers, supervisors or employees of an employer are not required to file reports in connection with services rendered to such employer. Also, employers are not required to file reports covering expenditures made to regular officers, supervisors or employees as compensation for their services as officers, supervisors or employees.

Section 203 (f) provides that nothing in section 203 shall be construed to amend section 8(c) of the Taft-Hartley Act, i.e., the so-called employer free speech provision.

Section 203(g) provides that the term "interfere with, re-

strain, or coerce" as used in section 203 means conduct which would constitute an unfair labor practice under section 8(a) of the Taft-Hartley Act.

As section 203(g) helps make clear, the types of transactions covered in section 203(a)(2) and (3) are unfair labor practices under the Taft-Hartley Act. It is accordingly unlikely that employers will report these transactions, and the value of these provisions, if any, is to lay a basis for criminal prosecution for failure to report. The provisions as to labor relations consultants are, however, broader: they cover undertakings to *persuade* employees, and thus activities which are not unfair labor practices under the Taft-Hartley Act.

The exemption in 203(e) likewise makes farcical the requirements as to employer reporting as respects anti-union activities undertaken by employers directly, rather than through labor relations consultants. If an employer has on his payroll employees whose regular duties are to persuade other employees not to join a union, he need not, under section 203(e), report it.

#### **"Attorney-Client Communications Exempted"**

Section 204 declares that nothing in the Act shall require an attorney to include in any report any information lawfully communicated to him by any of his clients in the course of a "legitimate" attorney-client relationship.

#### **"Reports Made Public Information"**

Section 205(a) provides that the contents of the reports and documents filed with the Secretary under sections 201, 202, and 203, shall be public information, and authorizes the Secretary to publish any such information, and to use it for statistical and research purposes and to publish studies and surveys based thereon.

Section 205(b) directs the Secretary to make reasonable provision for the inspection and examination, on the request of any person, of information contained in the reports filed.

Section 205(c) provides that the Secretary shall furnish copies of reports filed on payment of a charge based on the cost of the service. The Secretary is to make copies of reports available to state agencies, on request of the Governor of the State, without charge. No person may be required by reason of any state law to furnish any state agency with information contained in a report filed with the Secretary, if a copy of the report, or of the portion thereof containing such information, is furnished to such state agency.

#### **"Retention of Records"**

Section 206 provides that every person required to file a report shall maintain and keep for five years after the filing of the report records which will provide in sufficient detail the information and data from which the report may be verified and checked for accuracy and completeness, including vouchers, worksheets, receipts and applicable resolutions.

### **"Effective Date"**

Section 207(a) provides that each union shall file the initial report required under section 201(a), i.e., the constitutional and organizational report, within 90 days after the effective date of the Act. (Subsequent changes in the constitutional and organizational information are to be reported at the time the union files its annual financial report.)

Section 207(b) provides that each person or organization required to file any of the other reports under Title II shall file the report within 90 days after the end of its fiscal year; and that in the case of the initial report if the Act is in effect for only a portion of the fiscal year, that portion may be treated as the entire fiscal year.

### **"Rules and Regulations"**

Section 208 gives the Secretary authority to issue rules and regulations prescribing the form and publication of reports, and such other rules and regulations (including rules prescribing reports concerning trusts in which a union is interested) as the Secretary finds necessary to prevent evasion of the reporting requirements. The Secretary is required to prescribe simplified reporting forms for unions and employers for whom he finds that a detailed report would because of their size be unduly burdensome. The Secretary may revoke the authorization for use of a simplified form as to any union or employer if he determines, after investigation, notice and hearing, that the purposes of this section would be served by doing so.

### **"Criminal Provisions"**

Section 209 prescribes a fine of up to \$10,000 or imprisonment for up to one year, or both, for :

(a) Willful violation of Title II.

(b) The making of a false statement or representation of a material fact, knowing it to be false, or knowing failure to disclose a material fact in any report or other information required by Title II.

(c) Willfully making a false entry in, or concealing, withholding, or destroying any books, records, reports or statements required to be kept under Title II.

Section 209(d) provides that each individual required to sign reports under Title II shall be personally responsible for the filing of such reports and for any statement contained therein which he knows to be false.

### **"Civil Enforcement"**

Section 210 provides that whenever it shall appear that any person has violated any provisions of Title II, the Secretary may bring a civil action "for such relief (including injunctions) as may

be appropriate." Section 210 goes on to provide that such action may be brought in the district court where the violation occurred, or, at the option of the parties, in the United States District Court for the District of Columbia.

## **Title III—"Trusteeships"**

### **Summary**

Title III deals with the establishment of a trusteeship by any labor organization over any subordinate labor organization. For brevity, the terms international union and local union will be used, but the statute applies to all trusteeships over any labor organization. Title III provides, first, for reports by international unions with respect to trusteeships which they establish over locals. These reports must be filed with the Secretary and are made public. Title III also specifies the procedures by which and the purposes for which trusteeships may be established, and authorizes suit by the Secretary or by an individual member of a local union for determining whether a trusteeship should be allowed to continue or should be terminated. In such proceedings the trusteeship will be presumed to be valid during the first 18 months after it is established; thereafter it will be presumed to be invalid.

### **Section-by-Section Analysis**

#### **"Reports"**

Section 301(a) provides that every international union which has or assumes a trusteeship over a local union shall have to file with the Secretary within 30 days after the date of enactment of the Act or the imposition of the trusteeship, and semi-annually thereafter, a report, signed by its president and treasurer or corresponding principal officers, and by the trustees of the local, containing the following information:

- (1) the name and address of the local;
- (2) the date of establishment of the trusteeship;
- (3) a detailed statement of the reason or reasons for establishing or continuing the trusteeship; and
- (4) the nature and extent of participation by the members of the local in the selection of delegates to represent the local in regular or special conventions or other policy-determining bodies and in the election of officers of the international. The initial report must also include a full and complete account of the financial condition of the local as of the time trusteeship was assumed over it. During the continuation of the trusteeship the annual financial report required of unions by section 201(b) shall be filed by the international union on behalf of the trusted local. This re-

port must be signed by the president and treasurer or corresponding principal officers of the international, and by the trustees of the local.

Section 301(b) makes applicable to reports filed under this title the provisions of Title II with respect to reports being public, record keeping, etc.

Sections 301(c), (d) and (e) exactly parallel the criminal provisions in section 209 of Title II.

#### **"Purposes For Which A Trusteeship May Be Established"**

Section 302 specifies that trusteeships shall be established and administered only in accordance with the constitution and bylaws of the international union and "for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization."

#### **"Unlawful Acts Relating to Labor Organization Under Trusteeship"**

Section 303(a) provides that during any period when a local is in trusteeship it shall be unlawful (1) to count the votes of delegates from the local in any convention or election of officers of the international union unless the delegates were elected by secret ballot in an election in which all members in good standing of the trustee local were eligible to participate, and (2) to transfer to the international union any funds of the local except normal per capita tax and standard assessments and except that, upon the bona fide dissolution of the local, its assets may be distributed in accordance with its constitution and bylaws. (Normally distribution of the assets of a dissolving local is governed by the constitution of the international rather than of the local. There is no indication that the Congress was aware of this distinction).

Section 303 (b) makes willful violations punishable by a fine of up to \$10,000 or imprisonment for one year, or both

#### **"Enforcement"**

Section 304 provides for enforcement of this title, other than the reporting requirements in section 301 which are enforced only criminally.

Section 304(a) provides that *any* member or local union of the international union may file a complaint with the Secretary of Labor alleging a violation of Title III. The Secretary shall investigate the complaint and if he finds probable cause that a violation has occurred, and has not been remedied, he shall, without disclosing the identity of the complainant, bring a civil action in a Federal district court "for such relief (including injunctions)"

as may be appropriate. Alternatively, the member or the local union may bring suit in a Federal district court.

Section 304(b) provides that a suit under (a) may be brought either in the district where the international union has its principal office, or in the district where the trusteeship is being conducted.

Section 304(c) provides that in any suit under this section a trusteeship will be presumed valid for a period of 18 months from the date it is established, if it was established in accordance with the procedural requirements of the constitution and bylaws of the international union and was authorized or ratified after a fair hearing before the union's executive board or other body designated by the constitution and bylaws. During this 18-month period the trusteeship shall not be subject to attack "except upon clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable" under section 302. After the expiration of the 18-month period, the trusteeship will be presumed invalid and its discontinuance will be ordered unless the union "shall show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable" under section 302. In the latter event, the court may dismiss the complaint or retain jurisdiction as it sees fit.

#### **"Report to Congress"**

Section 305 directs the Secretary to submit to the Congress at the end of three years a report on the operation of Title III.

#### **"Complaint by Secretary"**

Section 306 declares that the rights and remedies provided by Title III shall be in addition to any and all other rights and remedies at law or in equity. Upon the filing of a complaint by the Secretary, however, the jurisdiction of the district court shall be exclusive, and the final judgment shall be *res judicata*.

Here again, as in the case of section 103, it is not clear whether the "other rights and remedies" which this section preserves are procedural rights and remedies only, or substantive ones as well. It would of course be absurd to permit Federal or state courts to determine the validity of the establishment of trusteeships by tests different from and inconsistent with those set forth in Title III.

### **Title IV—"Elections"**

#### **Summary**

Title IV requires that the officers of national and international unions, except federations like the AFL-CIO, be elected either by secret ballot or by delegates chosen by secret ballot, and that local

union officers be elected by the former method. This title also regulates the terms of office of union officers, the conduct of union elections, and the removal of local union officers.

**Section-by-Section Analysis**  
**"Terms of Office: Election Procedures"**

Section 401(a) provides that every national or international union, not including the AFL-CIO, shall elect its officers every five years (as defined in section 3 (m)) by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

Section 401(b) provides that every local union shall elect its officers at least once every three years by secret ballot among the members in good standing.

Section 401(c) deals, among other things, with the use of union membership lists in elections. Its first sentence provides that every national or international union, not including the AFL-CIO, and every local union, shall be under a duty, enforceable at the suit of any candidate in the Federal district court in which the union maintains its principal office [*sic*], to comply with all reasonable requests of any candidate to distribute campaign literature by mail or otherwise at the candidate's expense to all members in good standing, and to afford equal treatment to all candidates with respect to the use of membership lists and the distribution of campaign literature. The second sentence provides that every bona fide candidate shall have the right, once within 30 days prior to an election, to inspect a list of all members of the union who are subject to a collective bargaining agreement requiring membership as a condition of employment, which list shall be kept at the principal office of the union. The third sentence states that adequate safeguards to insure a fair election shall be provided, including the right of any candidate to have an observer at the polls and at the counting of the ballots.

This provision is a merger of conflicting Senate and House provisions. It is not clear whether the provision for enforcement at the suit of a candidate applies only to the first sentence, or to the first and second sentences, or to all three sentences. The third sentence seems more appropriate for enforcement through the Secretary of Labor, as provided in section 402.

The provision for the inspection of the membership list is not meant to be equivalent to a right to copy the membership list. The House bill included a provision giving every bona fide candidate the right to inspect and copy a membership list, but the provision as to copying was dropped in conference, and the statement of the House Managers declares, p. 34, that:

... the provisions from the House amendments are modified to deny candidates the right to copy membership lists and to restrict the right of candidates to inspect such lists to one time within 30 days of the election.

Section 401(d) provides that officers of intermediate bodies, such as general committees, system boards, joint boards, or joint councils shall be elected at least every four years by secret ballot among the members in good standing or by labor union officers representative of the members who have been elected by secret ballot. (The provisions of Section 401(c) as to distribution of literature, etc., apparently do not apply to the election of officers of intermediate bodies.)

Section 401 (e) provides that in any election which is to be held by secret ballot, a reasonable opportunity shall be given for the nomination of candidates, and that every member in good standing shall be eligible to be a candidate and hold office, and to vote for or otherwise support the candidates of his choice, without being subject to penalty, discipline, or improper interference or reprisal of any kind by the union or any of its members. The right to hold office may, however, be qualified by "reasonable qualifications uniformly imposed" by the union and is qualified by section 504 which bars from union office persons convicted of certain offenses and members of the Communist Party. Union members must be given notice of the time and place of the election, mailed to them not less than 15 days prior to the election at their last known home address. Each member in good standing is entitled to one vote, and no member whose dues are checked off may be declared ineligible to vote or be a candidate by reason of any default or delay in the payment of his dues. The votes in each local union shall be counted and the results published separately. Ballots and all other records pertaining to union elections must be preserved for one year. Elections shall be conducted in accordance with the constitution and bylaws of the union insofar as they are not inconsistent with Title IV.

Section 401(f) provides that when officers are chosen by a convention, the convention shall be conducted in accordance with the constitution and bylaws of the union. The delegates' credentials, and all minutes and other records of the convention pertaining to the election of officers, must be preserved for one year.

Section 401(g) provides that no union dues or assessments and no employer funds shall be contributed or applied to promote the candidacy of any person in a union election. Such union moneys may, however, be used for notices, factual statements of issues not involving candidates, and other necessary election expenses. (There is a curious loophole in the first part of this provision: it seemingly does not apply to union funds derived from investments.)

Section 401(h) is a curious provision, dealing with the removal of union officers. It provides that if the Secretary, upon application by any member of a local union, finds, after a hearing in accordance with the Administrative Procedure Act, that the union's constitution and bylaws do not provide an adequate pro-

cedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and hearing, by the members in good standing voting in a secret ballot election conducted by the union's officers in accordance with the union's constitution and bylaws insofar as they are not inconsistent with the provisions of Title IV.

Section 401(i) authorizes the Secretary to issue rules and regulations prescribing minimum standards and procedures for determining the adequacy of a union's removal procedures.

#### **"Enforcement"**

Section 402 establishes a procedure for the general enforcement of section 401. It is not clear what relation it has to the special provision for the enforcement of section 401(c), or part of it, by private suit in a Federal district court.

Section 402(a) provides that a member of a union who (1) has exhausted the remedies available under the constitution and by-laws of the union and of any parent body, or (2) has invoked available remedies without obtaining a final decision within three calendar months, may file a complaint with the Secretary within one month thereafter alleging the violation of "any" provision of section 401 (including violation of the union's constitution and bylaws pertaining to the election and removal of officers). The challenged election is presumed valid pending a final decision, and in the interim the affairs of the union are conducted by the officers elected or in such other manner as the constitution and by-laws provide.

Section 402(b) provides that the Secretary shall investigate the complaint and, if he finds probable cause to believe that a violation has occurred, he shall within 60 days after the filing of the complaint bring a civil suit against the union in the federal district court in which the union maintains its principal office [*sic*]. The court shall have power to take appropriate action to preserve the assets of the union.

Section 402(c) provides that if the court finds (1) that an election has not been held within the time prescribed in section 401 (i.e., five years for an international and three years for a local union), or (2) that a violation of section 401 may have affected the outcome of the election, the court shall declare the election, if any, to be void, and shall direct the holding of a new election. The new election will be held under the supervision of the Secretary, and insofar as practicable, in conformity with the union's lawful constitution and bylaws. The Secretary shall certify to the court the names of the persons elected, and the court shall thereupon enter a decree declaring such persons to be the officers of the union. If the proceeding is for the removal of local union officers under section 401(h), the Secretary shall certify the results of the vote and the court shall enter a decree declaring whether the officers have been removed.

Section 402(d) provides that a court order directing an election, dismissing a complaint, or designating officers shall be appealable in the same manner as the final judgment in a civil action, but that an order directing an election shall not be stayed pending an appeal.

#### **"Application of Other Laws"**

Section 403 provides that no union shall be required by law to hold elections more frequently or in a different form or manner than is required by its own constitution and bylaws, except as otherwise provided in Title IV. Existing rights and remedies to enforce union constitutions and bylaws with respect to elections before such an election has been held are preserved, but the remedy provided by Title IV for challenging an election that has already been held is exclusive.

#### **"Effective Date"**

Section 404 provides that the provisions of Title IV shall be applicable (1) 90 days of the date of enactment of the bill, in the case of a union whose constitution and bylaws can lawfully be modified or amended by action of its constitutional officers or governing body, or (2) where the modification can only be made by a constitutional convention of the union, not later than its next constitutional convention after the date of enactment of the Act, or one year after such enactment, whichever is sooner. If no convention is held within this one-year period, the executive board or other governing body of the union empowered to act between conventions is empowered to make interim constitutional changes necessary to carry out the title.

This provision seems to assume that no labor union can comply with any part of Title IV without revision of its constitution. Actually, many unions will not need to revise their constitutions at all, while others will need to make only a few modifications, such as in the terms of officers. Nevertheless, it appears that the effective date of this Title will turn as to each union on whether its constitutional officers or governing body have authority to modify its constitution. If such authority rests only with the convention, then the effective date will be the union's next convention, or one year after enactment of the Act, whichever is sooner.

### ***Title V—"Safeguards for Labor Organizations"***

#### ***"Fiduciary Responsibility of Officers of Labor Organizations"***

Section 501(a) declares that officers, agents, etc. (defined in section 3(q)) of a union occupy positions of trust in relation to the union and its members, and that it is, therefore, the duty of each officer, etc., "taking into account the special problems and functions" of a union—

(1) to hold its money and property solely for the benefit of the union and its members;

(2) to manage, invest and expend the union's money and property in accordance with the union's constitution and its bylaws and any resolutions of its governing body adopted thereunder.

(3) to refrain from dealing with the union as an adverse party, and from having any personal interest which conflicts with the interests of the union; and

(4) to account to the union for any profit received by him in connection with any transaction conducted by him on behalf of the union.

Section 501(a) further provides that a general exculpatory provision in the constitution and bylaws of a union or a general exculpatory resolution of its governing body purporting to relieve any officer, etc., of liability for breach of these provisions shall be void as against public policy.

Section 501(b) provides for the enforcement of section 501(a) through civil suit. It provides that when any officer, etc., of a union is alleged to have violated section 501(a), and the union fails to sue within a reasonable time after being requested to do so by any member, the member may sue the officer, etc., in any Federal district court or state court of competent jurisdiction for the benefit of the union. No such proceeding may be brought except upon leave of the court, but application for leave may be made *ex parte*. The trial judge may allot a reasonable part of any recovery to pay the counsel fees and the expenses of the plaintiff.

This language originated as part of the House Committee (i.e., Elliott) bill (H.R. 8342), and was incorporated verbatim in the Landrum-Griffin bill (H.R. 8400), which became the House bill. The House Committee Report on H.R. 8342 simply paraphrases the language of the section. (H. Rept. No. 741, 86th Cong., 1st Sess., p. 44.) The Supplementary Views printed with the report, and signed by Representatives Elliott, Green, Thompson, Udall and O'Hara have this to say (pp. 81-82):

We affirm that the committee bill is broader and stronger than the provisions of S. 1555 which relate to fiduciary responsibilities. S. 1555 applied the fiduciary principle to union officials only in their handling of "money or other property" (see S. 1555, sec. 610), apparently leaving other questions to the common law of the several States. Although the common law covers the matter, we considered it important to write the fiduciary principle explicitly into Federal labor legislation. Accordingly the committee bill extends the fiduciary principle to all the activities of union officials and other union agents or representatives.

The general principles stated in the bill are familiar to the courts, both State and Federal, and therefore incor-

porate a large body of existing law applicable to trustees, and a wide variety of agents. The detailed application of these fiduciary principles to a particular trustee, officer, or agent has always depended upon the character of the activity in which he was engaged. They bear upon a family trustee somewhat differently than a real estate agent. The bill wisely takes note of the need to consider "the special problems and functions of a labor here organization" in applying fiduciary principles to their officers and agents.

Our language does not purport to regulate the expenditures or investments of a labor organization. Such decisions should be made by the members in accordance with the constitution and bylaws of their union. Union officers will not be guilty of breach of trust when their expenditures are within the authority conferred upon them either by the constitution and bylaws or by a resolution of the executive board, convention or other appropriate governing body (including a general meeting of the members) not in conflict with the constitution and bylaws.

However, the committee bill also explicitly invalidates any general provision in a union constitution or bylaws purporting to excuse union officials from breaches of trust. The bill follows the well-established distinction between conferring authority upon an agent or trustee, which is permissible and protects him against liability, and attempting to excuse breaches of trust, which is here made void as against public policy.

The statement of the House Managers on the Conference bill contains no reference to this section. In his statement on the Conference bill on the Senate floor, however, Senator Kennedy gave an explanation of this section which is exactly in line with the explanation in the Supplementary Views. Senator Kennedy said (105 Cong. Rec. 16415) :

The general principles stated in the bill are familiar to the courts, both State and Federal, and therefore incorporate a large body of existing law applicable to trustees, and a wide variety of agents. The detailed application of these fiduciary principles to a particular trustee, officer, or agent has always depended upon the character of the activity in which he was engaged. They bear upon a family trustee somewhat differently than a corporate director, upon an attorney quite differently than a real estate agent. The bill wisely takes note of the need to consider "the special problems and functions of a labor organization" in applying fiduciary principles to their officers and agents.

The bill does not limit in any way the purposes for which the funds of a labor organization may be expended or the investments which can be made. Such decisions should be

made by the members in accordance with the constitution and bylaws of their union. Union officers will not be guilty of breach of trust under this section when their expenditures are within the authority conferred upon them either by the constitution and bylaws, or by a resolution of the executive board, convention or other appropriate governing body—including a general meeting of the members—not in conflict with the constitution and bylaws. This is also made clear by the fact that section 501(a) requires that the special problems and functions of a labor organization be taken into consideration in determining whether union officers and other representatives are acting responsibly in connection with their statutory duties. The problems with which labor organizations are accustomed to deal are not limited to bread-and-butter unionism or to organization and collective bargaining alone, but encompass a broad spectrum of social objectives as the union may determine.

However, the committee bill also explicitly invalidates any general provision in a union constitution or bylaws purporting to excuse union officials from breaches of trust. The bill follows the well-established distinction between conferring authority upon an agent or trustee, which is permissible and protects him against liability, and attempting to excuse breaches of trust, which is here made void as against public policy.

If these explanations of the statutory language are accepted by the courts, this section will not limit the purposes for which unions may expend their funds. On the other hand, care should be taken that each union's constitution and bylaws, or resolutions of its governing body explicitly spell out both the purposes for which its funds may be disbursed and the procedures to be followed in authorizing disbursements.

Section 501(c) makes the embezzlement of union funds a Federal crime. It provides that any person who embezzles, steals, or unlawfully or willfully abstracts or converts to his own use, or the use of another, any of the funds or other assets of a union of which he is an officer or employee shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

#### **"Bonding"**

Section 502(a) requires the bonding of every officer, agent, etc. (defined in section 3(q)), of any union (except a union whose property and annual financial receipts do not exceed \$5,000), or of a trust in which a union is interested (defined in 3(1)), who handles funds or other property. The bond of each person shall be fixed at the beginning of the fiscal year, and shall be in an amount not less than 10 per cent of the funds handled by him and any predecessors during the preceding fiscal year, up to a maximum of \$500,000. If there was no preceding fiscal year, the amount of the bond shall be at least \$1,000 in the case of a local union, and

\$10,000 in the case of any other union or trust. The bonds must be individual or schedule in form and must have a corporate surety which holds a grant of authority from the Secretary of the Treasury under Title 6, United States Code, sections 6-13, as an acceptable surety on Federal bonds. A person who has not been bonded as required shall not be permitted to hold the assets of a union or a trust in which a union is interested. No bond may be placed through an agent, or broker, or with a surety company in which *any* labor union, or any officer, etc., has any interest, directly or indirectly.

Section 502(b) provides that any person who willfully violates these provisions shall be fined up to \$10,000 or imprisoned for not more than one year, or both.

#### **"Making of Loans; Payment of Fines"**

Section 503(a) provides that no union shall, directly or indirectly, make any loan to an officer or employee which results in a total indebtedness on the part of the officer or employee to the union in excess of \$2,000.

Section 503(b) provides that no union or employer shall, directly or indirectly, pay the fine of any officer or employee convicted of any willful violation of the Act.

Section 503(c) provides that any person who willfully violates this section shall be fined up to \$5,000 or imprisoned for not more than one year, or both.

#### **"Prohibition Against Certain Persons Holding Office"**

Section 504(a) bars from certain offices or employment for a period of five years any person who has been a member of the Communist Party or who has been convicted of or has served any part of a prison term resulting from his conviction of any of the following offenses: robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of Title II or III of this Act, or conspiracy to commit any such crimes. Any such person is barred from serving (1) as an officer or employee of any union (other than as an employee performing exclusively clerical or custodial duties), or (2) as a labor relations consultant or as an officer or employee (other than one performing exclusively clerical or custodial duties) of any group or association of employers dealing with any union. The disbarment is effective during Communist Party membership and for five years thereafter, and for five years after conviction of one of the enumerated offenses or after the end of imprisonment therefor. However, in the case of a person convicted or imprisoned the disbarment may be lifted before the end of the five-year period if (A) his citizenship rights were revoked and have been fully restored, or (B) the Board of Parole

of the Department of Justice determines that the bar shall be lifted. Before making such a determination the Parole Board must hold an administrative hearing, notice of which must be given to the appropriate State, county, or local prosecuting officials. The Board's decision as to whether to lift a disbarment is final. No union or union officer shall knowingly permit any person to hold any office or employment in violation of this subsection.

Section 504(b) provides that any person who willfully violates this section shall be fined up to \$10,000 or imprisoned for not more than one year, or both.

Section 504(c) provides that a person shall be deemed to have been convicted from the date of the judgment of the trial court or from the final sustaining of such judgment on appeal, whichever is later, regardless of whether the conviction occurred before or after enactment of the Act.

**"Amendment to Section 302, Labor Management  
Relations Act, 1947"**

Section 505 revises and re-enacts subsections (a), (b) and (c) of section 302 of the Taft-Hartley Act. For the most part only the revisions will be noted.

Section 302, which deals with employer bribery of union officials, is rewritten to broaden its scope and close certain loopholes which exist or may exist in the present law.

As revised, section 302(a) declares that it shall be unlawful for any employer, or association of employers, or person who acts as a labor relations expert, adviser, or consultant to an employer, or person who acts in the interest of an employer to pay, lend or deliver, or agree to pay, lend or deliver, any money or other thing of value—

- (1) to any representative of any of the employer's employees;
- (2) to any union, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership any of the employer's employees;
- (3) to any employee or group or committee of employees of the employer in excess of their normal compensation for the purpose of causing such employee or group or committee directly or indirectly to influence any other employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing; or
- (4) to any union officer or employee with intent to influence him in any of his actions, decisions or duties as a union officer or employee.

Section 302(b) is revised to make unlawful the demand or acceptance of improper loading fees from interstate truckers. As

revised it makes it unlawful (1) for any person to request, demand, receive or accept, or agree to receive or accept any payment of a type prohibited by subsection (a), or (2) for a union, or a union officer, agent, representative, or employee to demand or accept from a motor truck operator, or from his employer, any money or other thing of value as a fee or charge for or in connection with unloading the cargo of such vehicle. This latter provision, however, does not make unlawful payments by an employer to any of his employees as compensation for their services as employees.

Section 302(c) rewrites the existing provisions to (1) provide that section 302 is not applicable in respect to money or other things of value payable by an employer to any employee whose established duties include acting openly for such employer in matters of labor relations or personnel administration, and (2) to permit payments by employers to trust funds established for the purpose of pooled vacation, holiday, severance or "similar" benefits, or defraying costs of apprenticeship or other training programs.

Under section 302(d) of the Labor-Management Relations Act, which is not changed by the new Act, violators of section 302 are subject to a fine of up to \$10,000 or imprisonment for up to one year, or both.

## **Title VI—"Miscellaneous Provisions"**

### **"Investigations"**

Section 601(a) provides that the Secretary of Labor shall have power when he believes it necessary in order to determine whether any person has violated or is about to violate any provision of this Act, other than Title I or amendments made by this Act to other statutes, such as the Taft-Hartley Act, to make an investigation. In connection therewith the Secretary "may enter such places and inspect such records and accounts and question such persons as he may deem necessary to enable him to determine the facts" relative to the investigation. The Secretary may report to "interested persons or officials" concerning reports filed under the Act, or the reasons for failure to file reports, or any other matter which he deems appropriate as the result of an investigation.

Section 601(b) provides that for the purposes of any investigation provided for in this Act, the provisions of sections 9 and 10 of the Federal Trade Commission Act, 15 U.S.C. §§ 49-50 (relating to the attendance of witnesses and the production of books, papers and documents), are applicable to the jurisdiction, powers and duties of the Secretary or any officers designated by him.

Section 9 of the Federal Trade Commission Act, 15 U.S.C. § 49, provides that for the purposes of certain enumerated sections

of that Act, the Commission shall have access to, for the purposes of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and that the Commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of documentary evidence relating to any matter under investigation. In case of disobedience to a subpoena, the Commission may invoke the aid of any Federal court. Failure to obey a court order to comply with a subpoena is punishable by contempt. The section further provides that no person shall be excused from obeying a subpoena or from testifying on the ground that the testimony or documentary evidence may tend to criminate him; and that no natural person may be prosecuted or subjected to any penalty on account of any transaction concerning which he testifies or produces documentary evidence in obedience to a subpoena.

Section 10 of the Federal Trade Commission Act, 15 U.S.C. § 50, provides that any person who refuses to testify or produce documentary evidence in obedience to the subpoena or lawful requirement of the Commission may be punished by a fine of not less than \$5,000 or more than \$10,000, or imprisonment of not more than one year, or both.

Section 601(a) is carelessly drawn and raises a number of problems.

To begin with, the authorization to the Secretary to investigate is excessively, and probably inadvertently, broad. There are many provisions of the Act, in addition to Title I and the amendments to Taft-Hartley, for whose enforcement the Secretary has no responsibility. Many of the Act's provisions are enforceable only by criminal prosecution which is the responsibility of the Department of Justice. It can hardly have been intended that the Secretary should investigate suspected violations of these criminal provisions. If he does the provision of section 9 of the Federal Trade Commission Act granting immunity to persons testifying under subpoena may well bar prosecutions. Other provisions, such as section 501 relating to the fiduciary responsibility of union officers, are enforced by private civil litigation: and here, again, it can hardly have been intended that the Secretary have a blanket power to investigate violations.

Again, the blanket power to investigate apparently conferred on the Secretary by section 601(a) is inconsistent even with certain provisions of the Act as to which the Secretary does play an enforcement role. In Title IV, dealing with elections, section 402(b) authorizes the Secretary to investigate claims of election irregularities, but only if a complaint is filed by a member of the union who has exhausted remedies available within the union, as provided in section 402(a). It surely cannot have been intended that the Secretary should have power under section 601(a) to investigate a union election as to which no complaint is filed.

Further, while the powers conferred on the Federal Trade Com-

mission by section 9 are quite broad, they are not as broad as those apparently conferred on the Secretary by section 601(a). They do not, for example, confer authority to "enter such places \* \* \* as he deems necessary." Since no implementation of section 601(a) is provided except for the adoption by reference of the provisions of the Federal Trade Commission Act, it appears that the broad language of section 601(a) will not be given literal effect. Also, the courts have held that section 9 of the Federal Trade Commission Act must be interpreted in the light of the provisions of the Fourth Amendment of the Constitution prohibiting unreasonable searches and seizures and the issuance of search warrants "but upon probable cause." Those constitutional provisions will of course similarly operate to curtail the broad powers conferred by section 601(a).

#### **"Extortionate Picketing"**

Section 602(a) provides that it shall be unlawful to carry on picketing on or about the premises of any employer for the purpose of, or as part of any conspiracy or plan for, the personal profit or enrichment of any individual by taking or obtaining any money or other thing of value from such employer, except for a bona fide increase in wages or other employee benefits.

Section 602(b) provides that any person who wilfully violates this section shall be fined up to \$10,000 or imprisoned for not more than twenty years, or both.

The provision does not appear to cover picketing at the premises of one employer for the purpose of extorting money from another employer—purely an oversight, no doubt.

#### **"Retention of Rights Under Other Federal and State Laws"**

Section 603(a) declares that except as explicitly provided to the contrary, nothing in this Act shall—

(1) reduce or limit the responsibilities of any union or any officer or other representative of a union, or of any trust in which a union is interested, under any other Federal law or under the laws of any State, or

(2) take away any right or bar any remedy to which members of a union are entitled under any other Federal law or law of any State.

Nothing has been found in the legislative history which throws any light on the intended significance of these generalities.

#### **"Effect on State Laws"**

Section 604 provides that nothing in this Act shall impair the authority of any State to enforce general criminal laws with respect to certain enumerated offenses.

#### **"Service of Process"**

Section 605 declares that for the purposes of this Act the service of legal process of a Federal court upon an officer or agent

of a union in his capacity as such shall constitute service upon the union.

#### **"Administrative Procedure Act"**

Section 606 provides that the Administrative Procedure Act shall be applicable to the issuance, amendment, or rescission of any rules or regulations, or any adjudication, authorized or required under the provisions of this Act.

This provision applies to Title VII (the Taft-Hartley amendments) as well as to the other provisions of the Act.

#### **"Other Agencies and Departments"**

Section 607 authorizes the Secretary in the administration of the Act to make such arrangements for cooperation with other government agencies as he may find to be practicable and legal. It further provides that the Secretary may utilize the services of any Federal or state agency, with its consent, including the services of its employees; and that each Federal agency is authorized to cooperate with the Secretary, and, to the extent permitted by law, to provide such information as he may request for his assistance in the performance of his functions under the Act. The Secretary shall refer to the Attorney General for appropriate action evidence which warrants consideration for criminal prosecution.

#### **"Criminal Contempt"**

Section 608 requires jury trial in contempt cases, other than those involving contempt committed in the immediate presence of the court, growing out of civil actions brought in any Federal court under the Act.

#### **"Prohibition on Certain Discipline by Labor Organization"**

Section 609 makes it unlawful for any union or union officer or agent, etc., or employee to discipline any union member by fine, suspension, expulsion or other sanction for exercising any right under the Act. The provisions of section 102 of the Act (providing for civil court action) are made applicable in the enforcement of this section.

#### **"Deprivation of Rights Under Act by Violence"**

Section 610 provides that it shall be unlawful for any person, through the use of force or violence or threat thereof, to restrain, coerce, or intimidate any union member for the purpose of interfering with or preventing the exercise of any right to which he is entitled under the Act. Violation of this section is punishable by a fine of not more than \$1,000 or imprisonment of not more than one year, or both.

#### **"Separability Provisions"**

Section 611 is the standard separability provision.

## **Title VII—"Amendments to the Labor Management Relations Act, 1947, as Amended"**

### **"Federal-State Jurisdiction"**

Section 701(a) amends section 14 of the National Labor Relations Act by adding a new subsection (c). This new subsection (c) provides that the National Labor Relations Board may in its discretion decline to assert jurisdiction over any labor dispute involving any class or category of employers where, in the opinion of the Board, the effect of the labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction. The Board may exercise this discretion either by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act. The Board may not, however, decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing on August 1, 1959. The new section 14(c) further provides that nothing in the National Labor Relations Act shall bar any state agency or court from asserting jurisdiction over labor disputes over which the Board declines, under this subsection, to assert jurisdiction.

These provisions direct the Federal Board to assert jurisdiction, as a minimum, over all the classes of cases over which it asserted jurisdiction under the jurisdictional standards prevailing as of August 1, 1959. The States acting either through administrative agencies or courts are permitted to handle cases—both unfair labor practice cases and representation proceedings—over which the Board declines to assert jurisdiction. The August 1, 1959, standards represent the minimum jurisdiction which the Federal Board must exercise. It could hereafter, at its option, exercise greater jurisdiction, up to the limits of the Federal power under the commerce clause, and if it did, the jurisdiction of the States would be correspondingly curtailed.

It will be noted that the statutory language is not explicit as to whether state agencies and courts may apply state law or must apply the Federal Act. However, in an explanation of the Conference bill to the Senate, Senator Kennedy stated (105 Cong. Rec. 16255):

It was the opinion of the Senate that the Federal law should prevail with respect to interstate commerce, and, in order to compromise that feature, it was agreed that the State law could prevail, but only in those areas in which the National Labor Relations Board does not now assume jurisdiction.

It will be noted that the Board is to exercise its discretion to decline jurisdiction not on a case by case basis, but by a "class or category of employers." Congress evidently thought that it will be possible for litigants to determine in advance whether the Board

will exercise jurisdiction, so that initial resort to the Board before resorting to a state court or agency will not be necessary. In any event, the provision does not require initial resort to the Federal Board; the state agency or court will itself decide whether the labor dispute is one over which the Federal Board declines, by rule of decision or published rules, to assert jurisdiction. The determination of the state agency or court on this point is reviewable ultimately by the United States Supreme Court.

Section 701(b) (which has nothing to do with Federal-State jurisdiction) amends section 3(b) of the National Labor Relations Act to authorize the Board to delegate to its regional directors full authority to handle and decide representation cases. However, upon the filing of a request by any interested person, the Board may review any action of a regional director, but this review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director.

This provision may result in substantially expediting representation proceedings if the Board (1) makes the authorized delegation of power to its regional directors, and (2) refuses to review determinations of regional directors or to stay their actions except for good cause shown.

#### **"Economic Strikers"**

Section 702 rewrites the second sentence of section 9(c)(3) of the National Labor Relations Act. As amended, the sentence now provides that employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the provisions of the National Labor Relations Act in any election conducted within 12 months after commencement of the strike.

In general, the purport of this provision is that economic strikers shall be eligible to vote under regulations to be adopted by the National Labor Relations Board in Board elections conducted within 12 months after the beginning of a strike. Since this provision is a substitute for the provision that economic strikers "shall not be eligible to vote," the law now contains no provision barring economic strikers from voting, even after the lapse of a year. It is, however, clear that Congress intended that economic strikers not be permitted to vote after they have been on strike for a year.

In his explanation of the Conference bill to the Senate, Senator Kennedy stated of the new provision: "We guarantee them the right to vote for at least a year after the strike begins." (105 Cong. Rec. 16414). On the other hand the Statement of the House Managers contains the following sentence: "Under this provision the Board of course can limit this right to vote even during this 12-month period." (H. Rept. No. 1147, 86th Cong., 1st Sess., p. 37). However the last quoted sentence follows a description of provi-

sions of the House bill which were dropped in conference, and appears to refer to them.

#### **"Vacancy in Office of General Counsel"**

Section 703 amends section 3(d) of the National Labor Relations Act by adding a provision that in the event that the office of the General Counsel falls vacant, the President may designate an acting General Counsel. An acting General Counsel may not serve, however, (1) for more than 40 days when Congress is in session, unless a nomination for General Counsel is sent to the Senate, or (2) after the adjournment *sine die* of the session of the Senate in which a nomination was submitted.

This amendment is technical and non-controversial.

#### **"Boycotts and Recognition Picketing"**

Section 704(a) revises in their entirety the provisions of section 8(b) (4) of the National Labor Relations Act, which deal in general with secondary strikes and picketing, boycotts, jurisdictional disputes and work assignment disputes. The provisions are highly technical and their meaning will be the subject of litigation for years to come, as the now superseded provisions have been. The following analysis is, therefore, highly tentative.

The old section 8(b) (4) of the Taft-Hartley Act makes it an unfair labor practice for a union or its agents to engage in specific types of conduct for any of certain enumerated objects. These provisions are subject to a proviso dealing with refusal to cross a primary picket line.

The new section 8(b) (4) retains the same framework, i.e., an enumeration of certain types of conduct which are forbidden if engaged in for any of certain enumerated objects, subject to provisos. However, the forbidden types of conduct, the forbidden objects, and the provisos are changed. Hence it will be necessary to compare the new provisions with the old in each of these three respects.

#### **The Forbidden Types of Conduct**

The old provision forbids a union, "where an object \* \* \* is" one of those proscribed, to engage in, or induce the *employees* of any employer to engage in, a strike or a *concerted* refusal in the course of their employment to use, transport or otherwise handle or work on any goods or materials or to perform any services. It will be noted that this language covers only union inducement of *employees* and only inducement to engage in *concerted* action. Further, the term "employees" has a technical meaning in the National Labor Relations Act: it does not, for example, cover employees of railroads or supervisory employees. Hence the old language does not cover union appeals to railroad employees, such as to respect a picket line; or direct union appeals to foremen or managers, as, for example, requests not to deal with a sweatshop

employer; nor does it cover inducement of individual employees, as, for example, inducement of an individual truck driver not to cross a picket line (*NLRB v. Rice Milling Co.*, 341 U. S. 665, 671).

The new language, however, now numbered section 8(b) (4) (i), forbids a union to induce "any individual" to engage in "a refusal" to use, etc., goods: the word "concerted" is omitted. Thus the new language covers union appeals to persons who are not "employees" under the National Labor Relations Act, such as railroad employees and supervisors, and also inducement of individual employees.

The new provision also adds to the forbidden types of conduct, as section 8(b) (4) (ii), "to threaten, coerce, or restrain any person engaged in commerce." The language "any person engaged in commerce" clearly includes not only supervisors or managers, but an employer as an entity.

The meaning of the words "threaten, coerce, or restrain" will unquestionably be the subject of litigation for years to come. In recent years, the Labor Board, reversing an interpretation of the Taft-Hartley Act of long standing, has construed the words "restrain or coerce" in section 8(b) (1) as applying, in some situations, to peaceful picketing and even to the incitement of a consumer boycott through use of an unfair list, public appeals, etc. A majority of the lower federal courts have rejected this Labor Board interpretation of "restrain or coerce," and the issue is now pending before the Supreme Court. It is likely, however, that the pending litigation will be dropped by government on the ground that the new Act renders it moot: hence some years will pass before there is an authoritative interpretation of the phrase "to threaten, coerce, or restrain." As brought out farther on, however, it is clear that Congress intended this language to cover peaceful picketing in some situations, though not the distribution of handbills in front of an establishment or the use of unfair lists.

### **The Forbidden Objects**

As stated, under the framework of both the old and the new section 8(b) (4) certain types of conduct (just discussed) are forbidden if engaged in for any of certain enumerated objects. We come now to the differences between the old and the new provisions as respects the objects forbidden.

To begin with, the listing of proscribed objects is rearranged in the new bill. Section 8(b) (4) (A) of the old bill deals both with requiring an employer to join a union and requiring an employer to cease handling the products of or doing business with any other person; and section 8(b) (4) (B) of the old bill deals with requiring a secondary employer to recognize a union which has not been certified as the representative of his employees. As re-written, section 8(b) (4) (A) deals only with requiring an employer to join a union, while 8(b) (4) (B) deals with both requiring an

employer to cease handling the products of or doing business with any other person, and with requiring a secondary employer to recognize a union not certified.

In addition there are certain changes of substance. The new section 8(b) (4) (A) covers, as the old version does not, requiring an employer to enter into an agreement forbidden by the new section 8(e) (dealing with hot cargo clauses). Since it is an unfair labor practice under section 8(e) for a union or employer to enter into any agreement of the sort there forbidden, this addition to section 8(b) (4) (A) seems to have significance principally through its tie in with section 303, which authorizes employer damage suits against unions for violations of section 8(b) (4).

Also, there is added to the new section 8(b) (4) (B) the proviso That nothing contained in this clause (B) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing.

This proviso was added in response to fears expressed by some union attorneys that the enlargement of section 8(b) (4) (i) to include union inducement of an individual employee, such, for example, as inducement of an individual truck driver not to cross a picket line, might have the effect of prohibiting even primary picketing. To meet these fears the proviso was added.

The Statement of the House Managers declares (p. 38) :

... The purpose of this provision is to make it clear that the changes in section 8(b) (4) do not overrule or qualify the present rules of law permitting picketing at the site of a primary labor dispute. This provision does not eliminate, restrict, or modify the limitations on picketing at the site of a primary labor dispute that are in existing law.

Senator Kennedy gave a similar explanation on the floor of the Senate (105 Cong. Rec. 16413-14) :

... Accordingly, the Senate conferees insisted that the report secure the following rights:

(a) The right to engage in primary strikes and primary picketing even though the employees of other employers refused to cross the picket line.

The fact of the matter is that there is some question under the Landrum-Griffin bill whether employees of another employer could have properly refused to cross a picket line in a primary strike. That has been clarified in the conference report.

Section 8(b) (4) (C) and (D) and the proviso with regard to refusal to cross a primary picket line, as found in the old section 8(b) (4), are incorporated without change in the new version.

The revised version also contains a second proviso, which is entirely new and very important. It states that nothing in section

8(b) (4) shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public that a product is produced by an employer with whom the union has a primary dispute, and that the product is distributed by another employer, as long as such publicity does not have "an effect of inducing" any individual employed by anyone other than the primary employer to refuse to pick up or deliver goods or perform any services at the establishment distributing the product.

This language must of course be considered in conjunction with the other provisions of section 8(b) (4) and in particular in conjunction with 8(b) (4) (ii) and 8(b) (4) (B). It apparently is the intent by Congress, that if a union is engaged in a primary labor dispute with employer A who makes widgets, which are sold at an establishment not owned by A, the union may handbill the establishment, or otherwise publicize the facts, but may not picket. Even the handbilling or other truthful publicity ceases to be permissible, however, if it has an effect of inducing any employee, other than an employee of A, to refuse to make deliveries or perform services at the establishment where the product is sold.

Senator Kennedy's explanation on the Senate floor declares (105 Cong. Rec. 16413-14):

... Accordingly, the Senate conferees insisted that the report secure the following rights:

(c) The right to appeal to consumers by methods other than picketing asking them to refrain from buying goods made by nonunion labor and to refrain from trading with a retailer who sells such goods.

Under the Landrum-Griffin bill it would have been impossible for a union to inform the customers of a secondary employer that that employer or store was selling goods which were made under racket conditions or sweatshop conditions, or in a plant where an economic strike was in progress. We were not able to persuade the House conferees to permit picketing in front of that secondary shop, but we were able to persuade them to agree that the union shall be free to conduct informational activity short of picketing. In other words, the union can hand out handbills at the shop, can place advertisements in newspapers, can make announcements over the radio, and can carry on all publicity short of having ambulatory picketing in front of a secondary site.

While the intention of the Congress, or at least of the conferees, is thus fairly clear, it is not clear that their intention will ultimately be effectuated by the courts. The proviso does not affirmatively undertake to enact that certain conduct shall constitute an unfair labor practice, and it is doubtful that the other provisions of section 8(b) (4) will be construed as forbidding peaceful, truthful, picketing in front of a retail store to urge consumers

not to buy a product sold there. The statutory language that a union shall not "threaten, coerce, or restrain any person engaged in commerce \*\*\* where \*\*\* an object thereof is \*\*\* forcing or requiring any person \*\*\* to cease doing business with any other person" does not in any normal usage cover peaceful, truthful, consumer, picketing, whether it be labelled primary or secondary. Thus the net effect of the proviso may be hurtful rather than helpful.

Further, the Supreme Court has several times held that there is a constitutional right to engage in such consumer picketing. While there is no guarantee that the Supreme Court will not overturn these decisions, there is also a well-established principle of statutory construction that a statute will be so construed, where possible, as to avoid raising constitutional doubts.

Thus it is far from clear that the new Act will ultimately be given the effect of prohibiting secondary consumer picketing. However, it will be dangerous for a union to act on that hypothesis, in view of its possible liability for damages under section 303.

The notion that truthful publicity aimed at the public, such as radio announcement, becomes an unfair labor practice if it has "an effect of inducing" anyone to refuse to perform services at the establishment where the product is sold, is startling. It is highly unlikely that the Supreme Court will sustain any such construction of the Act.

A further proviso applying to section 8(b) (4) is contained in the new subsection on hot cargo clauses, discussed next below. This proviso applies only to the apparel and clothing industry, but is of great importance as respects the application of section 8(b) (4) in that industry.

#### **Hot Cargo Clauses**

Section 704(b) amends the National Labor Relations Act by adding a new subsection 8(e). This new subsection 8(e) was generally referred to in Congress as outlawing hot cargo clauses, but it is not confined to the trucking industry, and invalidates unfair goods clauses in all industries, apart from special provisions discussed below applicable to the construction and clothing industries.

The new section 8(e) declares that it shall be an unfair labor practice for any union and any employer to enter into any contract or agreement express or implied, whereby the employer agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person. It further declares that any contract or agreement entered into heretofore or hereafter containing such a provision shall to that extent be unenforceable and void. These general provisions are subject to three provisos, described and discussed below.

In the *Sand Door* case (*Local No. 1796, United Brotherhood of Carpenters v. NLRB*, 357 U. S. 93 (1958) the Supreme Court

held that the existence of a hot cargo provision was not a defense to a charge of inducing employees to strike or refuse to handle goods for objectives proscribed by section 8(b) (4) (A). Put another way, it held that a union could not enforce a hot cargo clause by an otherwise forbidden strike or boycott. The Court declined, however, to pass on the validity of hot cargo provisions as such and left open the question whether they could be enforced by means not specifically prohibited in section 8(b) (4) (A).

The new section 8(e) resolves the issues which the Supreme Court thus left open. It declares unfair goods clauses void, and makes it an unfair labor practice to enter into one (apart from the provisos discussed below). As noted above, the new Act also revises section 8(b) (4) (A) to make it an unfair labor practice for a union to strike to secure an unfair goods clause.

Section 8(e) uses the term "employer," and that term is defined in section 2(2) of the National Labor Relations Act as excluding persons subject to the Railway Labor Act. Thus section 8(e) does not apply to hot cargo agreements entered into between unions and railroads employers. Further, a union of railroad employees is not a "labor organization" as that term is defined in the National Labor Relations Act. Hence it appears still to be lawful for railroad unions to strike to secure hot cargo clauses, to enter into agreements containing hot cargo clauses, and to strike or refuse to handle goods to enforce a hot cargo clause. The revised section 8(b) (4) appears, however, to bar a union covered by the National Labor Relations Act from appealing to railroad employees to engage in a prohibited strike or refusal to handle goods, even though the railroad employees are protected by a hot cargo clause.

#### **The First Proviso**

The first proviso to the new section 8(e) declares that nothing in subsection (e) shall apply to an agreement between a union and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work.

On the Senate floor Senator Kennedy gave the following explanation of this provision (105 Cong. Rec. 16415) :

Agreements by which a contractor in the construction industry promises not to subcontract work on a construction site to a nonunion contractor appear to be legal today. They will not be unlawful under section 8(e). The proviso is also applicable to all other agreements involving undertakings not to do work on a construction project site with other contractors or subcontractors regardless of the precise relation between them. . . .

He added :

It should be particularly noted that the proviso relates only to the "contracting or subcontracting of work to be done at the site of the construction." The proviso does not cover boycotts of goods manufactured in an industrial plant for installation at the jobsite, or suppliers who do not work at the jobsite.

Although the *legality* of agreements by contractors not to subcontract work to nonunion subcontractors has not been challenged, the issue has been raised whether such an agreement is so analogous to a hot cargo clause that under the Supreme Court decision in the *Sand Door* case such an agreement may not be pleaded as a defense to a charge of engaging in conduct otherwise forbidden by section 8(b) (4). There has been no court or Board decision on this point, and no definitive resolution of the question whether it is legal for a union to strike to secure such an agreement from a contractor.

The first proviso to section 8(e) makes it clear that section 8(e) itself does not make the execution of such an agreement an unfair labor practice. The questions remain whether under the new Act such an agreement may be enforced by conduct otherwise violative of the revised section 8(b) (4), and whether a union may strike to secure such an agreement.

As respects the first of these questions, consideration must be given to the third proviso to section 8(e), which provides that—

... nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception....

If this third proviso relates to both of the preceding provisos, then it is clear that union may enforce a subcontractor clause by means of a strike or boycott otherwise forbidden by section 8(b) (4). If the third proviso relates only to the second proviso having to do with the clothing industry (which is discussed below), then the question whether a union may enforce a subcontractor clause by means of an otherwise forbidden strike or boycott remains an open one.

The Senate and House conferees do not appear to have reached any common understanding on these questions. As appears from the statement of Senator Kennedy quoted above, his understanding was that these subcontractor clauses are presently legal, and will continue to be so under section 8(e). And he went on to state that the questions whether a union may enforce such a clause through an otherwise illegal strike or boycott, or may strike to secure such a clause, are open questions which remain open under the new Act. Thus he said:

Since the proviso does not relate to section 8(b) (4), strikes and picketing to enforce the contracts excepted by

the proviso will continue to be illegal under section 8(b) (4) whenever the *Sand Door* case (357 U. S. 93) is applicable.

It is not intended to change the law with respect to the judicial enforcement of these contracts, or with respect to the legality of a strike to obtain such a contract.

On the other hand, the Statement of the House Managers goes out of its way to resolve all of these issues against the union. It treats the legality of subcontractor clauses as an open question, and says it remains open. It declares, in a flat misstatement of the law, that picketing to enforce such a clause is illegal under the *Sand Door* decision. And it states that the third proviso applies only to the apparel and clothing industry.

Thus the Statement declares (pp. 39-40) :

The committee of conference does not intend that this proviso should be construed so as to change the present state of the law with respect to the validity of this specific type of agreement relating to work to be done at the site of the construction project or to remove the limitations which the present law imposes with respect to such agreements. Picketing to enforce such contracts would be illegal under the *Sand Door* case (*Local 1796, United Brotherhood of Carpenters v. NLRB*, 357 U. S. 93 (1958)). To the extent that such agreements are legal today under section 8(b) (4) of the National Labor Relations Act, as amended, the proviso would prevent such legality from being affected by section 8(e). The proviso applies only to section 8(e) and therefore leaves unaffected the law developed under section 8(b) (4). \* \* \* It is not intended that the proviso change the existing law with respect to judicial enforcement of these contracts or with respect to the legality of a strike to obtain such a contract. . . .

The third proviso applies solely to the apparel and clothing industry.

It may be noted that one of the House conferees, whose name appears as one of the signers of the Statement of the House Managers, declared on the floor of the House that he had not seen or read that Statement before it appeared in the Record. (105 Cong. Rec. 16636).

### **The Second Proviso**

The second proviso to the new section 8(e) provides that for the purposes both of section 8(e) and section 8(b) (4)—

the terms "any employer," "any person engaged in commerce or an industry affecting commerce," and "any person" when used in relation to the terms "any other producer, processor, or manufacturer," "any other employer," or "any other person" shall not include persons in

the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry.

This proviso thus grants an exemption to unions in the apparel and clothing industry from both the unfair goods clause ban of section 8(e) and the secondary strike, boycott, and picketing bans of section 8(b)(4)(B) in three situations; that is where the employer at which the union activity is directed (1) works on the goods of a jobber or manufacturer, i.e., on goods owned by a jobber or manufacturer, or (2) works on the premises of a jobber or manufacturer, or (3) performs part of an integrated process of production.

The Statement of the House Managers with respect to this provision reads (p. 40):

... This proviso grants a limited exemption in three specific situations in the apparel and clothing industry, but in no other industry regardless of whether similar integrated processes of production may exist between jobbers, manufacturers, contractors, and subcontractors.

### **The Third Proviso**

The third proviso to the new section 8(e) provides that nothing in the (National Labor Relations) Act shall prohibit the enforcement of any agreement which is within "the foregoing exception."

This proviso makes it clear that unions in the apparel and clothing industry may enforce contractual clauses sanctioned by the second proviso, even by strikes or boycotts or picketing which would otherwise be forbidden by section 8(b)(4)(B) or other provisions of the Act.

The question whether this third proviso applies only to the apparel and clothing industry, i.e., to the immediately preceding second proviso, or whether it applies also to the construction industry, i.e., the first proviso, has already been noted. Although the language of the third proviso is in the singular form, i.e., "the foregoing exception," there is a ready explanation for that. This language was placed in the bill at a time when section 8(e) contained only what is now the second proviso. Later the first proviso was inserted ahead of the second. Thus the use of the singular form in the third proviso may be due simply to an inadvertent failure to reword the language after the insertion of the first proviso.

### **Recognition and Organizational Picketing**

Section 704 amends the National Labor Relations Act by adding to section 8(b) a new paragraph (7) dealing with recognition and organizational picketing.

The new section 8(b) (7) employs somewhat the same framework as does section 8(b) (4), i.e., it enumerates certain types of conduct which are forbidden if engaged in in any of certain enumerated circumstances, subject to provisos. In general the new section 8(b) (7) makes it an unfair labor practice for a union or its agents to picket for employer recognition or to organize the employees (A) if the employer has lawfully recognized another union and an election could not be secured under the Act, (B) if a valid election has been held during the preceding year, or (C) if the picketing has been conducted without an election petition being filed within a reasonable period of time, not to exceed 30 days. The provisos, which apparently relate only to (C) have to do with the holding of elections when picketing is being conducted, and with consumer picketing.

We will now examine these provisions in greater detail.

### **The Forbidden Types of Conduct**

The types of conduct in which unions are forbidden to engage, in the enumerated circumstances, are to picket or threaten to picket any employer where an object of the picketing is "forcing or requiring" an employer to recognize or bargain with the union, or "forcing or requiring" the employees "to accept or select" the union as their representative, unless the union is currently certified as the representative.

It will be noted that picketing is the only type of conduct forbidden by this provision. As far as this provision is concerned, a union may engage in a strike or incite a secondary boycott so long as it does not engage in picketing. This section likewise does not seem to reach handbilling.

Due to the failure of Congress to consider the interrelation of this section with section 8(b) (4), some incongruous results may eventuate. Thus under section 8(b) (4)(C) it is an unfair labor practice for a union to engage in a strike, or to incite a secondary boycott, and perhaps to picket (if picketing is coercive), for recognition, if another union has been certified. Under section 8(b) (7)(A), on the other hand, it appears that a union may strike, or incite a secondary boycott, or handbill, in support of a demand for recognition, even though the employer has lawfully recognized another union, so long as the other union is not certified (which would bring 8(b) (4)(C) into play); but that the union may not picket.

Obviously it will be many years before the meaning of these complicated provisions, and their interrelation with each other, are worked out by the Board and the courts. Meanwhile it will be most difficult for unions to know what they may or may not lawfully do.

As stated, the only type of conduct forbidden by 8(b) (7) is picketing, and picketing is forbidden only if it is for the purpose

of "forcing or requiring" an employer to recognize the union or the employees to join it. The phrase "forcing or requiring" was taken from section 8(b) (4) of Taft-Hartley where it was used with reference to strikes and boycotts; but although strikes or boycotts may normally have the effect of "forcing or requiring," peaceful picketing does not in normal terminology have any such effect. As noted, the courts usually have not been sympathetic with the Labor Board's interpretation of the language "to restrain or coerce" in section 8(b) (1) as including peaceful picketing. The words "forcing or requiring" may, therefore, be so interpreted by the courts as to narrow the scope this provision would otherwise have.

Also, picketing, even where an object is "forcing or requiring" is forbidden only if an object is recognition or organization. What then is the effect of section 8(b) (7) on picketing which is purely informational, such as consumer picketing? Section 8(b) (7) contains a proviso which undertakes to limit the effect of its subparagraph (C) on consumer picketing. But quite apart from this proviso (which is discussed below), the language of section 8(b) (7) does not seem to reach purely informational picketing at all. Since, however, the present Labor Board has in the past shown a tendency to view all picketing as recognition picketing considerable litigation over this issue may be expected.

### The Forbidden Circumstances

The first circumstance in which recognition and organizational picketing is forbidden is (A) where the employer has recognized, in accordance with the National Labor Relations Act, another labor union, and a question concerning representation may not appropriately be raised under section 9(c) of the Act.

This provision does not apply if the employer's recognition of the other union was unlawful or, even if it was lawful, if a question concerning representation may appropriately be raised. This latter phraseology brings into play the board's various rules and doctrines as to when a union may obtain an election even though another union has theretofore been certified or recognized.

Senator Kennedy's explanation of this provision to the Senate stated (105 Cong. Rec. 16415) :

Two of the three restrictions upon organizational picketing are taken from the Senate bill. Paragraphs (A) and (B) of the new section 8(b) (7), which is added to the National Labor Relations Act, prohibit picketing for union organization or recognition at times when the National Labor Relations Board would not conduct an election. Sub-division (A) covers the situation where a contract with another union is a bar to an election. If the contract is not a bar, either because the incumbent union was recognized improperly or lacked majority support, or because the con-

tract had run for a reasonable period, a question concerning representation could appropriately be raised and subdivision (A) would not bar the picketing. Subdivision (B) bars union recognition for 12 months after an election in order to secure the expressed desire of the employees. In both cases the prohibitions relate only to picketing in an effort to organize employees or secure recognition in a bargaining unit covered by the existing contract or the prior election.

The second circumstance in which picketing for recognition or to organize is proscribed is (B) where within the preceding 12 months a valid election under section 9(c) of the Act has been conducted. Senator Kennedy's explanation just quoted likewise encompasses this provision.

The third circumstance is (C):

where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c) (1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

Senator Kennedy's explanation of this provision was (105 Cong. Rec. 16415):

The restriction added by the House which was approved in conference prohibits picketing, which involves economic coercion through employees, for more than 30 days without filing a petition for an election.

It will be noted that under the literal language of (C) picketing could be barred in even less than 30 days: it says "a reasonable period of not to exceed 30 days." It is difficult to see, however, how as a practical matter the processes of the Labor Board could be brought into operation in less than 30 days, and it seems unlikely that when the Board finally decides a case under section 8(b) (7)-(C), after the lapse of many months, it will concern itself with whether a petition should have been filed within a shorter period of time than 30 days. Thus for practical purposes 30 days may

be regarded as the flat period of time after which picketing becomes illegal under (C) unless an election petition is filed.

The filing of a petition by any person eligible to file under section 9(c) will legalize picketing beyond the 30-day limit: it is not necessary that the petitioner be the union. A union presumably will find it desirable to file an election petition on the 30th day after picketing is commenced, so as to have maximum time for organizing before the election. An employer, on the other hand will presumably petition for an election as soon as he sees the first picket, in order to minimize the union's time for organizing before the election and in order to stop the picketing if the union loses the election.

#### **The First Proviso to 8(b)(7)(C)**

In order, presumably, to facilitate elections in this situation, the conferees added to section 8(b)(7)(C) a proviso

That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof.

Neither the explanation of Senator Kennedy nor the Statement of the House Managers makes any reference to this curious provision, which raises a number of problems. In the first place, does "such a petition" refer to any petition under 9(c), or only to a petition which is filed during the occurrence of picketing which would, unless a petition were filed, be unlawful under 8(b)(7)(C) after a maximum of 30 days? It appears fairly clear that the latter construction is the correct one, but it will involve difficulties for the Board. If that is the correct construction it will be necessary for the Board, whenever an election petition is filed in order to determine whether to process the petition under this proviso, to determine preliminarily whether picketing falling within 8(b)(7)(C) is going on, and that may not always be an easy matter or one appropriate for determination in a representation proceeding. Further, the time consumed might well thwart the purpose of the proviso. As a way out of this dilemma the Board may be tempted simply to apply the proviso whenever picketing is occurring, but it is doubtful that it can legally do so.

The meaning of the language that the Board shall direct an election "forthwith, without regard to the provisions of section 9(c)(1)" likewise is not readily apparent. Although there is no authoritative legislative history which throws any light on the matter, no doubt what the conferees had in mind was to enable an employer to secure a prompt election if picketing were going on, even though the union did not claim recognition. However, section 9(c)(1) contains numerous provisions in addition to the

provision in 9(c) (1) (B) that an employer may petition for an election if (and only if) a union claims recognition. For it is section 9(c) (1) that provides that the Board shall investigate election petitions, provide for hearings thereon, etc. Thus, on its face, this proviso seems to direct the Board not only to conduct "prehearing" elections, but "no hearing" elections. It is, however, inconceivable that the proviso will be given this effect, since the Congress refused to authorize prehearing elections. Also, under the proviso the Board is to direct an election in such unit as it "finds to be appropriate," and obviously it can make that determination only on some sort of record.

The proviso quite plainly does make it possible for a union which cannot make the required showing of interest to obtain an election anyway, by engaging in picketing covered by section 8(b) (7) (C).

Section 8(b) (7) (C) contains a second proviso which states That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

This proviso is in form a limitation only on subparagraph (C). As previously noted, however, section 8(b) (7) does not seem to apply to purely informational or consumer picketing anyway.

The information which this proviso says may be conveyed by informational picketing or other publicity is quite restricted in scope: *viz*, truthfully advising that the employer does not employ members of or have a contract with "a" union. It seems unlikely that Congress really meant thus to restrict the scope of the information that may be conveyed by informational picketing or other publicity, or that it can constitutionally do so. This proviso sanctions informational picketing and "other publicity" unless an effect of the *picketing* is to induce any person to refuse to perform services in the course of his employment. Its wording thus differs from that of the second proviso to 8(b) (4). However, this provision, too, raises constitutional problems.

It is doubtful that the Congress had any intention that section 8(b) (7) would contract the right to engage in informational picketing, and even "other publicity," as the language of the proviso implies it does. As noted, the language of 8(b) (7) applies only to *picketing* for certain objects (not including the dissemination of information) in certain circumstances. Further, in his explanation of the bill, Senator Kennedy gave the following assurances (105 Cong. Rec. 16413) :

... Organizational picketing: The House bill would have forbidden virtually all organizational picketing, even though the pickets did not stop truck deliveries or exercise other economic coercion. The amendments adopted in the conference secure the right to engage in all forms of organizational picketing up to the time of an election in which the employees can freely express their desires with respect to the choice of a bargaining representative. When the picketing results in economic pressure through the refusal of other employees to cross the picket line, the bill would require a prompt election. Purely informational picketing cannot be curtailed under the conference report, although even this privilege would have been denied by the Landrum-Griffin measure.

The final sentence of section 8(b)(7) reads:

Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section 8(b).

The Statement of the House Managers, immediately after quoting this sentence declares (p. 41):

Section 8(b)(7) overrules the *Curtis* and *Alloy* cases to the extent that those decisions are inconsistent with section 8(b)(7).

Inasmuch as the whole purpose of the new section 8(b)(7) is to enact in part and repudiate in part interpretations which the Labor Board has in recent years placed upon section 8(b)(1)—and which were under attack in courts at the time Congress legislated—the provision that section 8(b)(7) is not to be construed to permit any act otherwise violative of section 8(b) is absurd. The Statement of the House Managers with respect to the *Curtis* and *Alloy* cases is wholly Delphic, since it does not specify whether it means the Board decisions in those cases or the court decisions overruling the Board.

#### Mandatory Injunctions

Section 704(d) amends the National Labor Relations Act to make the provisions of section 10(1)—for mandatory injunctions—applicable to the new sections 8(e) and 8(b)(7). (They are also automatically applicable to the revised section 8(b)(4).)

Section 704(d) also adds to section 10(1) a proviso

That such officer or regional attorney shall not apply for any restraining order under section 8(b)(7) if a charge against the employer under 8(a)(2) has been filed and after the preliminary investigation, he has reasonable cause to believe that such charge is true and that a complaint should issue.

It will be noted that this proviso specifies only one type of employer unfair labor practice, i.e., section 8(b)(2), which deals with employer domination of, interference with, or support of a union. This

particular employer unfair labor practice has particular relevance to 8(b) (7) (A), i.e., picketing where the employer has "lawfully" recognized another union. It evidently was the intent of Congress that the picketing union will be able to forestall a mandatory injunction in this situation if it can convince the NLRB regional attorney that there is reasonable cause to believe that the relationship between the employer and the incumbent union is collusive.

The proviso applies, however, to mandatory injunctions sought under section 8(b) (7) (B) and (C), as well as those sought under (A).

The proviso appears to leave open the question whether the union may urge an employer unfair labor practice as a defense to a charge of violating 8(b) (7) in an unfair labor practice case.

There is no legislative history relating to this proviso.

#### **Employer Damage Suits**

Section 704(e) amends section 303(a) of the Taft-Hartley Act—the provision for employer damage suits—so that it now simply incorporates by reference the provisions of section 8(b) (4).

#### **"Building and Construction Industry"**

Section 705(a) adds to the National Labor Relations Act a new subsection 8(f), relating to the building and construction industry. The new subsection 8(f) declares that it shall not be an unfair labor practice under section 8(a) or (b) for an employer engaged primarily in the building and construction industry to enter into an agreement covering employees in the building and construction industry with a union (not assisted by the employer in violation of section 8(a)), because (1) the majority status of the union has not been established prior to the making of the agreement.

The new section 8(f) further provides that an agreement covering employees in the building and construction industry shall not be invalid because it (2) requires union membership as a condition of employment after the seventh day (instead of the thirtieth day) following the beginning of employment or the effective date of the agreement, whichever is later, or (3) requires the employer to notify the union of opportunities for employment, or gives the union an opportunity to refer qualified applicants, or (4) specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with the employer, in the industry or in the particular geographical area.

The Statement of the House Managers declares (p. 42):

The conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. Nothing in such provision is intended to restrict the applicability of the hiring hall provisions enunciated in the *Mountain Pacific* case (119 N.L.R.B. 883,

893) or to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements.

The standing of this assertion as legislative history is, to say the least, dubious. Representative Frank Thompson had the following to say on the House floor with respect to it (105 Cong. Rec. 16636) :

Mr. Speaker, in connection with the conference report there is one more matter of great importance which must be made clear if there is to be a valid legislative history accompanying this vital legislation. I did not have an opportunity to see or to read the statement of the Managers on the part of the House before it appeared in the Congressional Record today. Upon a very hasty examination of this document, I find at least one statement therein upon which I should like to make this comment for purposes of clarification. The last paragraph of the statement is correct when it refers to the fact that the conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. In these circumstances, the considerations in the Senate committee report which were before the Senate when it debated the bill are governing in determining the intent of the language on this subject in the conference report.

With respect to the phrase in the last paragraph of the statement that nothing in section 705 is intended "to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements," I would state that literally speaking, the above quoted phrase is not incorrect. However, it should be entirely clear that there is no language in the conference report which justifies any implication that section 705 is intended to deny the right of a union to strike or to picket for a legal object, such as a prehire agreement in the building and construction industry which is validated by section 705.

While a union may not engage in conduct which constitutes an unfair labor practice under the revised section 8(b) (4) or the new section 8(b) (7) in order to secure an agreement of the sort sanctioned by the new section 8(f), there is not the slightest basis for questioning the right of a union to strike or to engage in picketing not otherwise forbidden in order to secure an agreement containing the provisions now permitted by section 8(f). A strike or picketing to secure these provisions stands on no different footing than a strike or picketing to secure any other lawful contractual provision. Certain of the House conferees seem simply to have gone out of their way in an attempt to cut down the reach of a Senate provision to which they had acceded.

The new section 8(f) contains two provisos. The first is a technical provision declaring that agreements made under 8(f) shall be subject to the final proviso of section 8(a)(3) (which permits a union to seek discharge under a union security agreement only for non-payment of dues or initiation fees). The second proviso declares that a prehire agreement shall not be a bar to an election petition.

Section 705(b) is a technical amendment which makes it clear that 705(a) does not withdraw, for the building and construction industry, the sanction given by section 14(b) to state right to work laws.

#### **"Priority in Case Handling"**

Section 706 adds to the National Labor Relations Act a new subsection 10(m) which provides that charges of violation of section 8(a)(3) and 8(b)(2) shall be given priority (in handling, presumably) over other cases except those given priority under section 10(1).

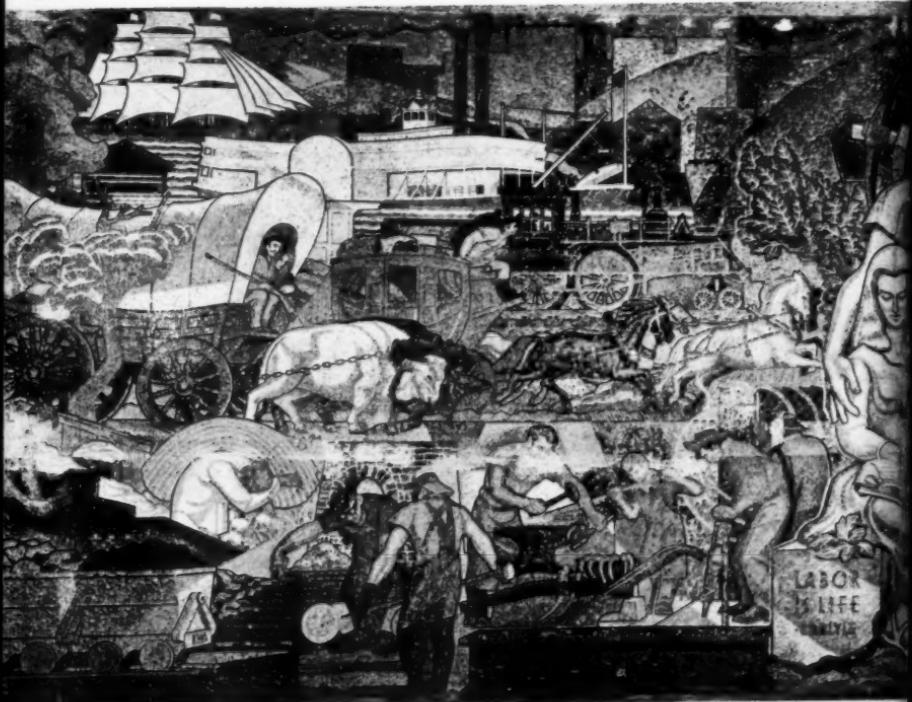
This provision is virtually meaningless.

#### **"Effective Date of Amendments"**

Section 707 provides that the amendments made by Title VII shall take effect 60 days after the date of enactment.

The Act as a whole has no effective date: hence it is effective as of the date of enactment, except where a different date is specified for particular titles or provisions. (The act was signed by the President on September 14, 1959).





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